

EMPLOYMENT AND EXCLUSION (THEMATIC NETWORK)

FINAL REPORT

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1. EXECUTIVE SUMMARY

The aim of the "employment - exclusion" network was to identify and compare areas of employment considered as risk in the six countries involved in the network. That is to say jobs which, instead of protecting those which have them from poverty, are likely to keep them in lasting and uninterrupted poverty or lead to poverty in the future.

The hypothesis of the existence of a social risk in work is contrary to the assumption that access to employment is the factor determining social integration (and social inclusion). It is also contrary to the representation of "the poor" who, since the Middle Ages, have formed part of the social landscape in Western societies and have a reserved place in them, traditionally associated with labour market inactivity. Today those who live in poverty and depend on social welfare are no longer just those who are not on the labour market, or marginal individuals, but include workers with insufficient wages, in unstable employment and precarious living conditions. The term "the working poor" can then be used.

The identification of this type of employment, which was the object of the work of the network, consisted in fact :

- on the one hand, in identifying their characteristics as regards contract and professional status, and as regards conditions from the point of view of remuneration, working hours, career prospects, access to training, and working conditions as such, i.e salubrious or unhealthy, etc.;
- and on the other hand, in establishing the link between these types of employment and their environment in the broad sense, i.e., productivity logics, the new forms of work organisation in firms, social logics, the national social protection systems and the social rights conferred by this type of employment, economic logics, the search for competitiveness in a world economy and political logics, governments' choices in their labour market management and economic development policies.

SHORT PRESENTATION OF THE APPROACHES TO THE CONCEPT OF EXCLUSION IN WORK

THE RELEVANCE OF THE CONCEPT

The concept of "exclusion in work" was built by the network from work published in the last twenty years on the transformation of the labour markets and of employment.

All developed countries, even those with high levels of social welfare, have witnessed the reappearance of poverty phenomenon which, contrary to the past, affected more and more gainfully-employed people.

In the 70s, the first studies on poverty emphasised social exclusion in general, as a direct effect of the increase in unemployment and of employment deprivation. But these phenomena of exclusion also affected people gainfully employed even in households where both partners had jobs. The concept of "working poor" began to be used. The problems of the working poor were related to the appearance of "non-standard" forms of employment the extension of which studies on industrial changes and the transformations of the labour markets highlighted. These forms of jobs were particular in that they differed from traditional models of employment, around which were built the methods of social regulation and the systems of social protection. These non-standard jobs were in fact filled by those who were beginning to be called "working poor".

Actually, this movement of deregulation of the forms of employment was based on changes in social and industrial legislation and in collective bargaining. Gradually, models of industrial relations diversified with the weakening of the link of subordination in temporary work, the emergence of hybrid positions between waged and self-employed and between work, unemployment and training. It was the very concept of employment which became more fuzzy, generating greater insecurity.

That is precisely the reason why we wanted to take into account in the concept of exclusion in work, aspects other than those of monetary poverty, as implied in the expression "working poor".

Thus, exclusion in work also includes the lack of social means, at present as well as over a lengthy period and in the future: the concept evokes the crumbling of social rights and of rights to unemployment, sickness and pension benefits.

It therefore fits into a longitudinal prospect which analyses the situation of a person in his/her whole professional career, not only over a defined period of work. Thus it is seen that social risk does not result from a given job position of any sort but rather from a composite career with a succession of more or less precarious jobs and periods out of work. In fact research showed that, in every country, the way towards employment for the long-term unemployed or for the inactive generally goes through low-waged or shorter-time jobs, i.e. part-time or fixed-period contract, and that this succession causes impoverishment in the long term.

Because it is not a question of identifying a particular type of employment, but rather a number of situations of social fragility, we have used R. Castel's term "vulnerability areas".

How can we delimit this area ? Are there particular configurations or policies which encourage the extension of these areas or reduce it ? Can we find relevant indicators in the six countries of the network?

The standardised data available is insufficient for an answer to the question, as the same forms of employment can be devalued or developed from one country to another. The areas of insecurity appear rather when comparing the employment structures of each country and each labour market. And indeed, in this configuration, we find some of the above characterisations in isolation or in combinations with others, which roughly speaking affect the same sectors of the population.

They are:

- 1) all reduced forms of work: part-time or short-term contracts, with alternate periods of work and unemployment, which hit women especially, providing reduced social rights as well as lower pay and deferred wage;
- 2) all the jobs characterised by low pay, more frequent in sectors such as hotels and catering, feminine sectors or those employing ethnic minorities, young people, the long-term unemployed, etc. This also refers to point A, reduced work and consequences on social rights;
- 3) all "hybrid" jobs at the boundary between wage work and self-employment. They are characterised by the fact that they place the social risk on workers and do not guarantee social protection.
- 4) all these "hybrid" positions between wage work and welfare benefits, where women are a majority. They no longer distinguish the statute of the worker from that of the unemployed and are associated in the majority of the European countries with conditional social rights and even occasionally to constraint.

The combination of these four characteristics make up what we called "exclusion in work". It is presented in a differentiated way in the six countries in the network, each one stressing one or other aspect taking into account its own social history and its own social-regulation system.

EXCLUSION IN WORK AND SOCIAL PROTECTION

The situations of job insecurity, far from being marginal and temporary phenomena are in fact at the heart of the wage relation not only for certain groups, such as young people and women, but for the whole working population. It is precisely this risk that the social-protection systems ceased fighting when they limited their field of intervention to those excluded from work and to the most disadvantaged in the population. The development of employment policies shows that if these forms of employment become ordinary and standardised, it is the whole social system which will make insecure work a social model.

THE DISCOURSE ON EXCLUSION

The analysis of the discourse on exclusion in fact concerns on the criticism of the overall representation of societies which is prompted by the use of the concept of exclusion.

If that concept comes from the French tradition, it is destined to become universal as it includes the Anglo-Saxon parent term of "underclass" and the Hispanic one of "marginalidad". Those terms lend coherence to the concept of "society", which is a whole divided into two camps, excluded persons and others.

The problem is to know how and why the concept of exclusion managed to establish this vision of society, and what are the objectives of the conception of society the concept of exclusion contributes to reinforce.

The essential characteristic of the concept of exclusion is precisely its polysemia: it applies to groups which have evolved over time and describes different realities. The concept may be vague, but the reality that it covers is not so. It is that of a divided world.

Research devoted to exclusion examines the processes which led to it with the aim of proposing measures to fight it. Because everyone accepts the fact that exclusion is evil. When priority is given to the treatment of evil, the concept of exclusion is "performative". In the pre-crisis vision, exclusion was incongruous, an after-effect of the past, and it could be eradicated by progress. But during the crisis, exclusion became an injustice for which society is responsible and that it has the duty to remedy. Public policies then focussed on suppressing that evil and on proposing a way out. On both sides of the Channel, the proposed measures took as a starting point Anglo-Saxon research on the underclass which described individuals' and groups' histories and stressed structural or psychological factors, separating to some extent the deserving poor from the others. In fact, the treatment of exclusion implies a critical discourse on society "as it is" which has failed in its duty and is no longer able to ensure social justice in terms of rehabilitation of those excluded, as was underlined by charities organisations in the 80s. This discourse portrays society "as it should be" as a good community, which redistributes assets, jobs, housing, culture, health, etc, to all those wanting to integrate, i.e. make the effort to do so. It is therefore legitimate to conclude a contract where access to the rights is subordinated to duty: the integration effort. To each according to his/her actions and his/her merits, the social rule is equity.

The discourse on exclusion is actually used to invalidate other kinds of critical approaches to society emphasises some inequalities and, in particular, unequal redistribution of wealth.

If exclusion still exists, that is because the redistribution process is not complete and can still be improved. The State can reinforce its existence and politics is reasserted thanks to social exclusion and its ethical dimension.

EXCLUSION IN WORK IN ITS CONTEXT

THE ECONOMIC STRUCTURES

Everyone agrees in recognising that the generalisation of the phenomenon "of exclusion in work" accompanies the restructuring of national economies. This involves characterising the methods of this restructuring by means of a macro-economic approach and measuring them by examining in greater depth the transformations which occurred in the hotel and catering sectors and in textile sector. In fact, the aim of this part of the research is to propose an "exclusion index" which would be used as a basis of comparison to measure horizontally the extent of deregulation in each country in the network, i.e. at both the economic and political level.

The development of national economies is characterised by two tendencies: enlargement of the field of intervention of the economic model that is designated by the term globalisation of the markets, development of new technologies and domination of the American cultural model; on the other hand, it has been noted that, as far as sectors of activity are concerned, after the decline of the agricultural primary sector to the advantage of the secondary industrial sector, the latter has given way to a major expansion of tertiary activities, with the development of services, which has led to the term of "tertiarisation".

But these economic changes were also based on a transformation of the model of employment: the end of male full employment, unemployment and, in particular, long-term unemployment, generating situations of exclusion and of poverty which are also due to the major increase in job insecurity.

This expansion of job insecurity corresponds precisely to the development of the service industry. Even if the growth of services and its potential of job creation is usually attributed to the massive use of a flexible and "non-standard" labour force, it is not inappropriate to ask why jobs in services should necessarily be less stable than industrial jobs.

Several arguments have been mentioned: services are provided by small-sized companies or family firms with less guarantee of existing for on the longer term than larger industrial firms, or service companies in banking and insurance. Moreover, as they are closer to the customers, they are more subject to changes in demand and respond by using flexible working: part-time, shorter contracts, etc. In the last twenty years, there has been a sharp increase in part-time work in all European countries, except in Scandinavia where it was already very developed. A third indicator is the pay level: in all the countries, wages in the service sector are lower than those in industrial activities. A final common characteristic which differentiates the industrial

sector from the services is the turnover and the use of low-skilled workers. At least in general. All industrialised countries, in particular those represented in our network, share these characteristics. However, there are major differences between Sweden and the United Kingdom, for example.

EXCLUSION INDEX

Consequently if we accept that the economic characteristics shared by all countries allow us to define an “exclusion index”, the position of each country in the grid has to be modulated using different political and social indicators : the type of social regulation, the choices of social policy to limit or amplify the risk in work.

The model of exclusion index, as a double-entry grid, is inspired by the model proposed by the economist Milton Friedman, which classifies countries according to the degree of freedom available to employers, giving the best results on its scale to countries like the United States. If we apply it to our countries, we see that between 1975 and 1995, all the countries rose on the Friedman scale, but that the UK is still far ahead of Sweden.

In setting the degree of freedom of companies against that of exclusion in work, our network noted that the lower the social regulation, the higher the risk of exclusion, but also that the further an economy goes in developing a service industry, the greater the risk of generating exclusion.

We applied this reasoning to the sectors of activity for which data was available.

If we examine the hotel industry as a prototype of services activities with a strategic role to play in the economy of future centuries (based on the "three super-services theory : Telecommunications, Information Technologies and Tourism"), it could be in this sector's interest to improve its current conditions of employment, insofar as they hinder long-term competitiveness. Because in fact, for the moment, this sector is still dominated by small family firms, even if large multinational firms have started to invest.

- The situation in the textiles sector is both similar to and different from that of the hotel sector.

Job loss resulting from relocation increases the risk of exclusion in work. But the bad pay conditions, extreme conditions of contractual flexibility (in particular by using immigrants to work illegally as home workers paid by the piece) reinforce this tendency, in particular as the sector is a major representative of the most fragile groups and firms : a mostly female labour force in small firms managed by low-trained teams. The employers' only answer is to increase internal and external flexibility, leading to worsening working and employment conditions.

In the textiles sector we can identify four risk factors, two of which are the same as in the hotel and restaurant industry :

- 1) the majority of the sector's jobs are unskilled and the investment level in technology is low;

- 2) a weak demand for the industry's products and a high level of job losses;
- 3) high levels of local competition and a high proportion of SMEs and family – owned firms;
- 4) a low level of trade-union organisation.

We may observe that the tendency to tertiarisation which marks twenty-first century economies leads to increased risk of exclusion in work. But the only way to limit the negative consequences of the tertiarisation of economic life is to increase the level of regulation by national governments or by European authorities.

If the factors of exclusion in work are important both in the textiles and in the hotel sector, they do not necessarily manifest themselves in the same way and, moreover, their relative importance is largely dependent on national factors, employment policies, social protection and trade-union representation, which can all be seen as obstacles to the "freedom of entrepreneurship" dear to Milton Friedman.

SOCIAL ASPECTS: SOCIAL PROTECTION

Poorer and shakier social statuses arising from the multiplication of risky forms of work could not be measured without taking into account the social rights to which participation in the labour market gives access. Actually, in our social security systems which are mainly based on contributions from salaried employment, social exclusion feeds on itself: mass unemployment, shorter-time work and insecure statuses reduce the resources to be redistributed while the number of those which need them increase.

But whatever the Social Security system, a change of orientation in the redistribution policies was observed during the 1980-90s: we passed from a system of "equal outcome policy" to a system of "equal opportunity policy". In other words, rather than providing those which lost their jobs with replacement income and money, it is better to enable them to increase their employability by training and education. It is what was called, according to the Swedish terminology, an "active policy of employment", adopted in all European countries and promoted by the European institutions.

The effect of these policies on social security is similar in the six countries in our network, whatever the system of origin. One can therefore wonder, as we have done, what the influence of these changes is on the development of the "exclusion in work" phenomenon. For that purpose we examined the various fields of action of social protection: rights to welfare for those without or no longer with links with the labour market, conditions of access to unemployment benefit, rights to health care, and the topical question of pension rights.

POLITICAL ASPECTS

1- THE LOGICS OF GLOBALISATION POLICIES

Placing such social security changes in their socio-political context inevitably refers us back to the broader government employment policies. It is clear, indeed, that if governments are anxious to take part in the globalisation of the economy, and for that purpose adopt policies which, as we saw, facilitate industrial restructuring and job flexibility, they are also concerned by the extension of social exclusion and seek, or at least say they do, to limit it.

But today if the challenge of globalisation is an irreversible reality, it must be admitted that it is inescapable for states and nations. But the fact is not new; industrialised countries have always developed within the framework of an international competition. Taking Ulrich Beck's work as our basis, we asked how the current globalisation reveals itself, if it means that we now live in a "world society", or in a "world market".

World market refers to « globalism », i.e, market decision first before political and social decision. All other dimensions of globalisation, both ecological, cultural and political ones, are secondary, or even reduced to a single, economic dimension. In its extension, this implicates that a nation can and should be run in the way that a company is run. Yet, this view is not based on empirical evidence; it is based on neo-liberal ideology. The mono-causal, economist globalism is the most important part of – actually almost synonymous with – the neo-liberal view of globalisation.

Globality takes a broader view of globalisation. True, the integration of the national economies is an important part of the globalisation process, but equally important aspects are cultural and political forms. A world society, according to Beck, “denotes the totality of social relationships which are not integrated into or determined (or determinable) by national-state politics.” A world society is “a multiplicity without unity”. One important consequence of these definitions of globality is that even if “locally” developed ideas and production concepts, such as lean production or just-in-time, turns global, it does not inevitably lead to an international convergence of production, industrial relations – or welfare policies.

If the globalist view is right, the region with the lowest wages would be the region best suited for production and a dismantling of the western welfare state is inevitable. Yet, if we believe instead that when diverse national systems face the same global challenges, the result might just as well be ‘a multiplicity without unity’, national welfare regimes are still possible.

POLITICAL ASPECTS

2- CHOICES OF PUBLIC EMPLOYMENT POLICIES

To discuss how globalism and globality are revealed in real politics, we can examine the tendencies followed in each country, such as, for example, in the UK or at European level, while analysing, from that point of view, the employment policy that the Commission has followed since the Essen Summit, and especially since the Luxembourg Summit.

It is advisable therefore to propose some possible interpretations of the choices made by political authorities: it is the concrete stage of the economic political and macro analyses presented earlier: comparing policies followed in each state represented in the network.

The selected interpretation of the guidelines must first set the options of the various governments against European employment policy, as defined by the European Commission. This involves a political alternative: how do States where social and economic policies are founded historically on social compromise and state regulation reconcile themselves to a European policy which defends the primacy of international competition in accordance with the liberal model?

The fact that the same discourse is found in different countries does not necessarily mean that they are doing the same things, but rather that these terms (like employability) are ambiguous. They can mean different things in different contexts and can be reworked according to local conditions.

On the contrary, we can think that the use of these key concepts is significant, because they serve as criteria for the evaluation of employment policies that each Member State must report on in its Employment Action Plan. In this respect the European Union is contributing to the construction of a common model through the diffusion of 'good practice'. The alignment of the social policies in Europe results from the Member States' adoption of the objective of labour market flexibility.

A first question to be addressed is whether the employment policies of the different countries can be compared. The construction of legal standards and the social protection systems of each country have specific social forms, based on the historical development of the economy, forms of wage labour, the state, and the labour movement.

For about twenty years, however, governments have adopted measures to reform the management of the labour market and social protection and those measures, even if they have specific national characteristics, present some common trends.

A typology of intervention models of the public employment policies makes it possible to identify their rationale and to draw up proposals for improvement in a given national context.

- Even though national frameworks and specific programmes vary, it is often the same categories of workers, welfare recipients, types of families and social groups which are affected.

Forms of insecure employment may vary, but, as we showed earlier, they belong to the category of “exclusion in work”. Wages are low, there is little career progression or access to training, and working conditions are unsafe or dangerous. Moreover, as seen earlier, these forms of employment are concentrated in certain sectors with common characteristics, such as hotels and textiles.

In fact, this alternative is out of date. According to our analysis, the quoted indicators actually show that choices of policy are dictated more by a concern for political consistency than by the will for alignment. This consistency can be summarised as follows: to reduce the overall volume of unemployment, States pursue the objective of job creation, even if it is at the expense of conditions of employment. Nevertheless, this takes place within certain limits, and is not universal. They are not prepared to overturn the entire social system, or to abolish social welfare and labour law.

This justifies the comparison process and makes it possible to produce hypotheses concerning how the policy decisions made by governments should be interpreted.

- 1) decentralisation and individualisation of collective bargaining can contribute to the development of non-standard forms of contract. These developments may be the result of direct intervention by governments or as a consequence of decisions taken by business interest organisations. The growth in employment in small and medium enterprises may also contribute to this process insofar as trade unions may be less able to secure the implementation of collective agreements in these organisations or may not be recognised by the employer.
- 2) non-standard forms of employment have often been practised even though they have not been formally permitted. A process of normalisation of 'atypical work' has occurred, either through the legalisation of practices which were formally illegal, or through their acceptances through custom and practice.
- 3) public employment policy to create employment and reduce unemployment may have the unintended effects which contribute, overall, to a deterioration in working conditions.
- 4) . Welfare recipients must work to receive benefits. The influence of national social history is significant here. This employment model is acceptable in a country with strong trade-union tradition only within the framework of the

integration of the unemployed into the labour market in the fight against unemployment or in response to collective needs.

5) the dynamics of policies aimed at target groups

The accent will vary according to circumstances, so that each country will have its own discourse of groups which are potentially 'at risk' and in need of specific interventions. These policies may have the effect of improving the situation of these groups or may stigmatise them, thus resulting in a further degradation of their labour market situation.

In other words, as regards the vulnerability areas and the forms of exclusion in work, it is not enough, for the evaluation of the role of the official authorities, to analyse the type of measure adopted; one must also examine its method of application, and especially the political and social framework that is the measure's context. It is the reason for which we insisted on the "mechanism" concept implied in the term "exclusion in work".

However, as regards the examination of these mechanisms, a number of research tracks remain open. The dimension of our network and the data available did not allow us to explore them in details, even if they were approached during the workshops.

We mention them here:

- 1) What effect have work incentives for the unemployed on job quality and the will of inactive persons to find a job ? These issues seem to be closely linked to our observations about the increasing conditionality of rights to social security and unemployment benefit. The reform of the interface of work and welfare systems is a persistent feature of the policy environment in European societies.
- 2) To what extent are we seeing the development of 'Third Way' (or similar forms of active social state) approaches to labour market policy ?
- 3) What are the consequences on the quality of jobs of the political alternative: « equal outcome policy » / « equal opportunity policy ».
- 4) The emphasis on individual responsibility and dissociation of the State from the discourse on employability and lifelong learning.
- 5) Aware of the generalisation of the phenomenon of exclusion in work in the European States and pressure towards an increase in the employment rates in the European guidelines, what can we expect from the Employment Action Plans as regards the quality of employment?

2. BACKGROUND AND OBJECTIVES OF THE PROJECT

This section of the report presents the objectives of the project as they had initially been defined at the earliest stages of the research, as well as the process of reassessment that they have undergone in the course of the project.

The whole work process is also described: the type of organisation adopted to manage the close collaboration and the division of work among the different teams.

INITIAL OBJECTIVES

Particularly interested in the emergence and expansion of forms of employment “at social risk”, the network had defined four initial objectives :

- 1) To collect, synthesize and compare available data on mechanisms of the labour market producing exclusion.
- 2) To search for the causes of exclusion mechanisms in the productive systems, and their effects on the different population groups.
- 3) To provide help in the conception of integrated policies against exclusion
- 4) To prepare coordinated research and develop reflection on categories to build

The first two objectives represent two aspects of the same research process : defining working hypotheses on the basis of available data from research published in each country and from official statistical sources to which the teams have access.

The adopted research process was to have each team write national reports on how the labour markets function : the reports contained descriptions of the employment structure -including self-employment as well as salaried employment- the labour regulation and the social protection in each of the countries. The aim was to construct a hierarchy of employment statuses and forms taking into account mechanisms of social protection and social assistance benefits, as well as and the principles in force regarding work income.

This hierarchy was based on the criteria and conditions of access to social protection linked to salaried employment and the conditions of access to social benefits in the absence of a link to employment, or when it has ended. They are: the duration, level and loss of rights to unemployment benefits, the scale of sickness benefits, age and the value of pensions for “atypical” forms of employment, and those jobs on the margins of salaried work. The resulting hierarchy of risks would be a complement to the initial hierarchy of work statuses.

Besides social risks, the level of income is also a concern: Which level of income is relevant for measuring the risk of poverty? Should one rely on the levels of social minima, granted without any reference to wages, because it covers theoretically groups of individuals excluded from the working community, or else on minimum wage levels which, if applicable, give access to social protection?

The teams reflected on the existence of a common principle according to which the different forms of employment were organised. More specifically, the teams researched whether the most degraded forms of employment in each country corresponded to a deregulation model.

If such were the case, the objective would then consist in constructing an instrument to measure exclusion, an “exclusion index” common to all the countries of the network, which would transcend national peculiarities.

This index must be capable of showing change over time, and of relating this to changes in the structure of the industry. Such an index needs to be capable of application in all the partner countries in the first instance, and in the Member States of the European Union in the wider context. This immediately produces two research problems: which elements of the matrix of exclusion factors are available from the data accessible in the different countries: and are they of equivalent predictive power in all national contexts. The second question, that of universality, was addressed in the workshops, though the aspect of predictive power has not yet been approached, and is problematic.

The possibility of constructing a Flexibility Index and an Exclusion Index was examined, each of which would be applied on a sectoral basis, to give a measure of the 'fragility' of employment in the sector, and the consequent risk of exclusion in the sector.

The Flexibility Index would include, the factors expressing the percentage part-time, percentage temporary contracts, percentage shift-work, and percentage performance-related pay. The Exclusion Index would include, at the least, the percentage of workers on low pay (defined as the proportion earning under 40% male average earnings), and percentage unemployment. Other factors associated with the experience of exclusion may be available.

This hypothesis of an “exclusion index” which would measure the degree of deregulation in each of the countries was more deeply analyzed through economic data from international institutions and confronted to the corresponding national data in as much as they were available. Then, it was experimentally applied to some sectors of activity. The teams agreed on researching and comparing national data in two sectors which are known to be largely deregulated : The textile sector and the hotels, restaurants and catering sector.

However, as far as quantitative data are concerned, the confrontation of research conducted in each country revealed that the heterogeneity of the available data, and more specifically of the statistics concerning economic sectors, did not allow a coherent analysis. Reconstruction of the data from the official statistical sources would have been necessary to back up the hypotheses, but this task would have reached beyond the scope of this project. It has appeared that each country develops a rather pragmatic national approach regarding the delimitation of the sectors as well as the population groups.

These different stages in the project have led us to agree on a common definition of the least beneficial forms of employment (“bad jobs” or employment with social risk) at work in each country.

The concept of “bad job” allows to designate these “atypical” forms of employment which have as main characteristic to withdraw certain resources to which work gives access: retirement benefits, unemployment benefits, diverse social benefits, leading to situations of exclusion.

The next step was to identify processes of exclusion. This part of the work implied that each of the teams proposed a reflection on the notion of exclusion on the basis of works published in the countries of the network. As a result, the teams restated the initial hypotheses. Indeed, when consulting the documents produced by the different teams, it appeared that the concept of “exclusion” involved different meanings depending whether the notion was linked to the policies against poverty, or integrated in the debate over “precarisation” of work.

These difficulties are not plain linguistic problems : the choice of one word over another is not irrelevant; it refers to different national realities. The following terms appeared in the texts : “precarity, exclusion, atypical employment , employment with social risk, marginality, poverty, etc...” which refer to specific employment situations or to specific population categories. To the terms exclusion in work or “excluding work,” which were used at the beginning of the research, the notions of “working poverty”, “working poor”, “ workfare” were added, leading us back to the active employment policies which are conducted in most of the countries present in the network. These national active policies are based on the objectives and guidelines recommended by the European Commission in their fight against poverty.

The reports on the national employment policies produced by each team in the last phase of the work allowed us to refocus our initial research question and to set it against its political, social and economic background.

These three dimensions will be the subject of the final report hereafter. Actually, the teams decided to divide the report into six chapters, each of which was the work of a multinational team. As was agreed before, the project should not aim at adding up

national reports, but rather at integrating the comparative dimension in the research itself.

- Part I : What is Exclusion in Work? (France, Sweden, Belgium)
- Part II. How has the language of Exclusion in Work changed? (France, Italy)
- Part III. What are the economic structures associated with Exclusion in Work?
(Portugal, UK)
- Part IV. Do social protection arrangements make Exclusion in Work more or
less likely? (UK, Sweden)
- Part V. What are the most effective public policies to reduce exclusion at
work? (UK, Sweden, Portugal)
- Part VI. To what extent do labour policies make Exclusion in Work more or
less likely? (Belgium, UK)

ORGANISATION OF WORK

The work of the network was organised in five workshops which were conducted and coordinated by the teams in turns. The coordination consisted in restating the hypothesis in the form of questions to submit to the research teams, centralising and distributing the working papers. The teams responsible for the workshop organised the working meetings which took place at the end of each period . The texts were discussed during the meeting and the teams agreed on themes to be dealt with in the next workshop.

CONTENT OF THE WORKSHOPS

The first workshop was trusted to the supervision of the Belgian and French teams. It consisted in the gathering of available documents and data on labour market and forms of employment.

Each team established a report on the structure of employment and a presentation of the hierarchy of forms of employment raising the issues linked to wages, minimum wage, conventional wage and mode of collective bargaining and social protection systems.

Apart from salaried employment, the issue of self-employment was also addressed, as well as its scope in each country. In the process, another hierarchy emerged in the articulations between salaried employment and self-employment due to the disappearance of the frontiers between these two forms of contracts.

The second workshop which was also coordinated by the Belgian and French teams dealt with employment forms leading to exclusion with a view to identifying a common principle of degradation. The teams were supposed to focus on the evolutions and recent changes. They tried to quantify these types of employment from the available data.

The third workshop examined the other term of the paradigm, exclusion, in the light of the literature on the question in each country.

In the fourth workshop, the task was to examine the link between exclusion, bad jobs and changing forms of employment, with particular interest in the impact of the growth in labour flexibility. This required the examination of change over time on a number of variables. The purpose of workshop 4 was to isolate the factors that had been identified at earlier stages of the project as those most closely related to exclusion, and to attempt the construction of an index of exclusion which can be used on a sectoral basis to identify those jobs with the most serious risk of exclusion.

The task was done in two sectors : the textile sector and the hotels, restaurants and catering sector, but it appeared, as already mentioned above, that the available data were too heterogeneous. This conclusion will be referred to in the section concerning recommendations.

The fifth workshop focussed on state policies. State intervention in the emergence of the most precarious forms of employment (defined as “bad jobs” or jobs at social risk) was the subject of workshops 1, 2 and 3. The teams presented a synthesis of the publications on employment policies in each country. This workshop was closed after agreeing on producing a collective book on the themes raised during the project of the network. This book would be the final outcome of the collaboration among the teams of the network.

3. SCIENTIFIC DESCRIPTION OF THE PROJECT RESULTS AND METHODOLOGY

PART ONE

WHAT IS EXCLUSION IN WORK?

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In 1994, the Council of Europe defined exclusion and the excluded “as entire groups of people who are partially or completely outside of efficient application of human rights”. Defined as denial of citizenship, exclusion covers a practically infinite number of situations and dimensions. Indeed, it is now commonly admitted that the term social exclusion “is so evocative, ambiguous, multidimensional and expansive that it can be defined in many different ways” (Silver 1995: 60). And existing efforts to define it “have only shown that the term seems to be loaded with numerous economic, social, political and cultural connotations and dimensions” (Silver 1995: 59).

So if no term contains social exclusion precisely, phenomena described by this term are yet very real, everywhere in Europe. These phenomena have changed considerably since 1975 date of the first European plan against what was then called poverty. Among these evolutions, the progression of situations of poverty in work, concerning therefore people gainfully employed is certainly one of the most shocking. This is what our network deals with. Therefore our topic is not “social exclusion” in general but more precisely “exclusion in work” (EIW), the expression we will use in the remainder of this text.

This kind of poverty is not new. In the 1970's, some studies had emphasised the persistence of poverty in rich Western societies. What was then called the “quarter world” gave evidence of the insufficiencies of welfare regimes organised after the Second World War to eliminate poverty in Europe. In the United States, the problem of the “working poors” appeared at the end of the 1980's but the evolution of poverty had been observed in the 1960's, since the famous “war against poverty” declared by

President Johnson in 1964. On both sides of the Atlantic, poor people were sometimes workers even if most of them were out of work.

Nor is the novelty of this phenomenon due to a remarkable extension. Data of the Bureau of Labor Statistics in the U.S., for example don't show a significant evolution in the number of working poor people apart from those directly linked to the conjunctural cycles. And the poverty rate in the workforce (6%) remains lower than that of the whole population (12%). The novelty, and therefore what is the essence of the question, holds to a qualitative transformation of the phenomenon. It seems that the professional situations of the poor workers tend to be less and less atypical (marginal jobs) compared to those of the others workers.

The strength of the US debate on working poors at the end of the 80's must be understood as sudden awareness that to work at any wage and any condition wasn't enough to escape poverty (Houriez 2000). In Europe, the evolution is similar. Employment does not always generate sufficient earnings to avoid poverty (even if there are two earners in the family (Phipps 1995); a quarter of French poor households have at least one member in work (Lagarenne, Legendre 2000). These evolutions are linked to job transformations within the last twenty years analysed as "non-standard employment". Even though, as Mangan (2000) stresses, "they lack a common set of characteristics in terms of participants, occupations or even skill level." (Mangan 2000: 1), the forms of employment classified under this heading can be considered as non traditional with regards to the full-time and essentially permanent standard which had become prominent in industrialised countries.

These "non standard" jobs are in fact deteriorations of the worker's status : the new positions for wage earning work which have been developed in the last twenty years are degraded forms of traditional contract of employment, with its usual characteristics: the link of subordination, stable relationship, regular hours, conventional pay and working hours and full social rights. The evolution takes different forms: shorter employment contracts are more frequently used, as well as seasonal and irregular work, forms of secondment, hybrid contracts given only to people receiving benefits in the framework of "work for benefits" plans or "dependent" self-employed workers, frequently excluded from the wage system by externalisation practices.

For us, EIW is therefore this particular exclusion, linked to work in its contemporary aspects, i.e. to job transformations. It is now necessary to specify that, for us, "exclusion" has two meanings. First, it refers to low income. And second, it is also defined in terms of access to social protection in general and to unemployment benefits, health care and retirement pension rights in particular. In a way, what is at stake for the exclusion processes we are interested in is citizenship. One aspect of this is the right to employment security which has been recently discussed (Lind, Møller 1999; Edwards, Révauger 2000; Christiansen, Koistinen, Kovalainen 1999).

Of course, EIW also implies a definition of what is meant by "work". Obviously, variations across countries and fuzziness of some boundaries prevent us from giving a too narrow content to the "labour market". Since we try to take into consideration at least some aspects of the informal economy, self employed workers and what we called "hybrid" positions which are at the boundaries of the wage system we will use the term "employment system" (Christiansen, Koistinen, Kovalainen 1999) or "occupational system" (Tripiet 1991).

Our definition of EIW obviously encompasses "working poors" but is broader. The definition of "working poor", formalised in 1989 by the Bureau of Labor Statistics of the United-States (Rones 1989), refers exclusively to a monetary income appreciated according to an absolute poverty rate fixed in 1964 then reviewed in 1969 and 1981. Beyond the monetary income, the EIW seeks to appreciate protections by which the professional occupations are more or less linked to substitution income, notably in the case of unemployment, and the capacity to take care of oneself. It also tries to appreciate the future by evaluating the possibility to constitute a decent retirement income. EIW considers thus the different welfare regimes existing in Europe. EIW is a way to give account of the impact of these different welfare regimes; a seldom considered but obvious impact.

EIW also differs from the definition of the activity proposed by the term "working poor" which supposes that persons have been in the working force at least six months a year. With EIW, the work hours can be fewer and the unemployed (taken into account in our definition of exclusion) are considered as actually in the work force. It seems better not to separate the unemployed and the employed whose situations seemed rather similar.

Moreover we are also interested in positions in the employment system that could lead to poverty after a certain amount of time. This second perspective is a longitudinal one: the risk may become higher as time goes by. This means for example that the risk of exclusion associated with unemployment may be low as one stays unemployed for a short period of time, but increases when one becomes a long term unemployed. It also means that a career made of a succession of positions not particularly risky *per se* may become risky when taken as a whole: for example long term unemployment or low paid part-time jobs that will provide no future access to sufficient retirement pension (Edwards, Révauger 2000; Ginn, Arber 1998). Our aim is also to see how this sum of risks may be allocated to special groups, i.e. allocated in an uneven way. From that point of view the gender dimension is of central importance in our project.

Looking at EIW as a process raises some difficulties. Individuals may move in different directions within the zone of precarious work (this zone has been called the "vulnerability zone" by Castel (2000)). The situation gets more precarious when leaving an insecure job for unemployment benefits: the risk of EIW becomes higher.

On the other hand labour market programmes for unemployed persons may strengthen the future situation on the labour market for the individual on a long-term basis. The individual could also move from secure jobs into precarious work further on to poverty but also the other way around (Svedberg 1994). One has thus to identify the factors inside and outside the labour market that enforce or are hindrances to the process towards EIW.

A COMPARATIVE APPROACH

The aim of our study was to identify the labour market processes that could be generating "exclusion" in that sense or more precisely that could be associated with a high risk of social exclusion as defined above, in the six countries under review (France, Italy, Sweden, Portugal, United Kingdom, Belgium).

The comparative exercise here is particularly difficult. Our topic cannot be dealt with by simply using now (almost) standardised data now available in Europe such as activity, employment or unemployment. It has to take into account several types of information which, in some countries, don't exist or are incomplete.

It is obviously impossible to allocate a social risk to the different job positions that are listed. If we take the example of part time work which is so often, and rightly so, presented as a very strong factor in job degradation, we know it is possible to encounter well-paid types permitting a good career ; in some areas such as advertising or fashion, for instance. Being in a particular position in the employment system (for example being a part-time worker) may have different meanings in different countries (Daune-Richard 1998).

Attributing a social risk to certain types of work could lead to underestimating others. The rate of part-time work could, again, be low in some countries, such as Italy, but we cannot conclude that work exclusion is, in fact, minimal there. It takes other paths, other forms, which are not necessarily significant in other countries.

For these reasons, we avoid simple term to term comparisons and give preference to an analysis in terms of employment structures. We have sought in each country areas of the employment systems which could be considered as dangerous compared to others according to the EIW definition mentioned above. That is positions in which workers earn relatively low wages (or receive low benefits) and have even worse access to health care and retirement benefits than other workers. This perspective is thus a relative one, proper to the employment systems of each of the six countries; and we know how different the labour market practices are across countries (see for example: Cadiou, Guichard, Maurel 2000). The job positions and the processes we tried to identify are embedded in the specific characteristics of national employment systems. This perspective leads of course to a relative definition of risk and hence of social exclusion which tries to take the diversity of social protection and employment systems into account.

So we started by defining the range of existing positions in the employment systems and "mapped" those positions according to criteria considered significant in each of the six countries.

THE MECHANISMS OF EI W

Four main mechanisms emerge from the comparison. In some countries they can be combined.

- 1) The reduction of working hours, under the form of part-time work, or short-term contracts, with alternate periods of work and unemployment, i.e. a reduction of the volume of hours leading to a proportional reduction of social rights and direct or deferred earnings. The place of women among the working poor (Asplund, Persson 2000) has to be noticed, as well as the consequences of "inactivity" or part-time work on retirement pensions (Ginn, Arber 1998).
- 2) As an effect of the reduction of working hours but not only, the second mechanism refers to wage inequality. This observation could be linked to a political debate on tax credit. Low pay, in sectors such as hotels and catering, care services (health), textiles and clothing, feminine sectors, etc., and sectors not covered by collective bargaining agreements. On the other hand, low wages owing to shorter or irregular periods of work, alternating between employment and unemployment, supplemented by social benefits or not, which hit certain more fragile categories, such as women, ethnic minorities, young people, the long-term unemployed, etc. In countries where these phenomena affect a large part of the working population, there are also various forms of homeworking and moonlighting.
- 3) The development of "hybrid" jobs at the boundary between wage work and self-employment. These job positions are characterised by a combination of the risk linked to the self-employed status (usually providing a lower level of social protection) and the absence of recognition of the subordination of the worker and her/his dependence on an employer. This particular position may be formalised, e.g. in the Italian *parasubordinati* (but we know this status harbours very heterogeneous situations).
- 4) The development of "hybrid" positions on another traditional frontier, between wage work and welfare benefits. The central process here is the principle of derogation to rules associated to employment, especially in the area of workfare policies, aimed at target groups (Morel 1999). Many of the non-standard job positions mentioned earlier appear in this area and originate under the impetus of public authorities. The gender dimension can also be stressed here, since in the UK for example, women represent the (sometimes overwhelming) majority of the workforce employed in non-standard and non-permanent employment (Purcell

2000 in Heery, Salmon). This has an impact on lone mother's poverty (Pedersen, Weise, Jabobs, White 2000).

The four mechanisms identified earlier "act" differently depending on the country. In some, they accumulate, in others, one or the other proves to be more determining. These diverse combinations, map out distinct zones in the different countries' employment systems. These "areas" define what can be considered as "bad jobs" (Dore 1997) in each country, i.e. jobs which are associated to periods or positions of social risk for individuals who are undergoing them. These national characteristics of EIW are related to employment policies (Friot, Rose 1996) and to welfare and social protection systems (Lind, Møller 1999; Gallie, Paugam 2000).

CONCLUSION

The trends in EIW are clearly linked to transformations the labour market has encountered since the 1970's. For many of countries, this period has been marked by mass unemployment and struggle against unemployment. These policies, at least in some of the countries considered, has contributed to limit poverty among the labour force. At the same time, welfare policies were mostly designed for the non working ("socially excluded") population. But focusing policies on "non working poor" may lead to an underestimation of (future) poverty problems linked to (broadly defined) work histories. It is one of the aims of this project to provide a better understanding of these risks.

Considering EIW as a question concerning only the "margins" of the employment systems could be misleading and neglect the facts 1° that non-standard forms of employment can no longer be considered as belonging to a "periphery" and 2° that what happens in those non standard zones may affect the standard forms of employment, especially when one looks at the evolution of the position of young people in the employment systems (Fondeur, Lefresne 2000). The job positions allocated to young people could be considered as an indication of the forms of employment that could become more and more common, at least for some categories of the population.

If European societies now reconsider full employment as a political objective, one has to find a way to reach this objective without defining "inclusion" as a normalisation of precarity. According to us, to reach a better knowledge of the processes we are trying to identify is important for both the social cohesion of the EU and for the future of the discussion of the "quality" of employment which has also been stressed as an objective for the EU at the 2000 Lisbon European summit. Like research conducted by other social scientists in Europe (Schmid, Gazier forthcoming) our network shows

the necessity to find a way to deal with employment systems in which national specificities remain and in which many of the traditional boundaries become blurred.

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PART TWO

HOW HAS THE LANGUAGE OF EXCLUSION IN WORK CHANGED? **THE DISCOURSE OF EXCLUSION**

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Analysing the discourses on exclusion already supposes to grasp a broad literature both from the point of view of its volume and of its diversity. In the last forty years this topic has mobilised scientists, experts, voluntary organisations, civil servants or politicians on common bases but also with very major differences. Exclusion is thus characterised by a very large polysemia, which is the first feature outlined in assessments proposed by the sociologists for a decade (Freund 1993; Silver 1995; Room 1995; Paugam 1996). Exclusion can indeed, and sometimes at the same time, designate the physically or social disabled, individuals with deviant behaviour, processes with risk likely to concern any and everybody, positions or conditions, specific publics such as young people, lone mothers, the homeless and all kinds of people perceived as at risk.

This polysemia is felt in the contradictions of the quantified evaluations¹ which lead certain experts today to refuse such an exercise. But these contradictions also reflect the plasticity, also remarkable, of the concept which made it possible to qualify by the same term a phenomenon the characteristics of which changed over the course of time, or at least the authors say they did, and which applies to populations of which the size and qualities vary considerably according to the studies. If one adds to these remarks the differences between countries and particularly between Latin and Anglo-Saxon countries, one will have finished showing the impossibility of naturalising the concept, i.e. to suppose implicitly to it a stabilised or spread out definition or simultaneous definitions (Thomas 1997).

For all that, exclusion structures a very real and very wide-ranging social debate which covers the European area today, as testified, for example, by the conclusions of the Lisbon summit² or the innumerable conferences, seminars or reviews on this

¹ One can take the example of France where the evaluations in the 1970s varied from the one to three (Thomas, 1997).

² The fight against social exclusion becomes an instrument of the modernisation of the European social model (Conclusion of European Council at the Lisbon Summit on 23 and 24 March 2000) .

theme. The studies carried out identify situations of poverty or of relative deficits the existence of which are in addition undeniable and about which the authors are angry. Their indignation is heard, and often shared. Exclusion meets a category of the common sense. If one does not know exactly what it is nor where it stops, one understands however what it designates. In other words, the term of exclusion acquired an axiomatic power which exempts from demonstration and suggests sensitive reality for each of us.

Thus, the exclusion concept introduces inevitable swinging between vague concept and tangible reality which marks, even more than its polysemia and its plasticity, the work of which it is the object. Sociologists know well this "swinging". Pierre Bourdieu links it to "the ambition which is that of the mythologies to base the arbitrary divisions of the social order on reason" and away from which he invites, of course, to break (Bourdieu 1982). The warnings against the traps of the concept which open systematically the work of the French and English-speaking sociologists echo with this basic principle of their discipline. But exclusion does not seem to come into play as any "arbitrary division of the social order". The strength of its axiomatic power suggests "virtues" which exceed the phenomenon that it designates. It is the overall representation of the society which is involved and is reformed in and by this concept.

Exclusion is a quite individual, perhaps new category (Rosanvallon 1995). It divides society into two quite distinct worlds: excluded persons and others, without ever submitting to analysis the links which articulate them. This partition involves exactly the same distinction as that which divides the sick from those in good health (Didier 1996). Just as the sick, excluded persons are not attached strictly to the world of exclusion. They came there by a number of mechanisms and of events that research proposes to identify and one hopes that they will come out of it thanks to suitable treatment. If one can observe features common to these excluded persons (sex, age, qualification, etc.), the observation has the same weight than the over-representation of the popular classes in the lung cancers or the differentials of life expectancy according to the professional situations. It is correct but it is not the central question which remains that of the effectiveness of the treatment to give. The main thing is not to understand but to cure. Exclusion is also a performative concept (MESSU 1994) which adds to sociologists' discomfort and explains their difficulty of extracting themselves from its traps despite their own warnings (Thomas 1997).

The discourses on exclusion manipulate therefore a polysemous, plastic and performative concept. Consequently they cannot be taken literally. One must go via the contexts in which they are produced, their uses and the producers' characteristics (Madanipour 1998). Therefore these elements will be restored while trying to articulate the Anglo-Saxon and Latin perceptions of the phenomenon and to understand how this concept could become a dominant paradigm (Paugam 1996). On

this point, we will make the hypothesis that the exclusion concept, far from the simple jamming of the representations, proposes a modernised and organised image of the societies which enables them "to think" the multiple transformations that they have undergone since what we called the "crisis" (Didier 1996). Exclusion goes beyond its "poor" alone. It introduces a major break in the way in which the Western democratic societies understand themselves (Didier 1996; Thomas 1997) and think their political action.

THE THREE MOMENTS OF THE DISCOURSES ON EXCLUSION

The exclusion concept appears clearly in the discourses at the end of the 1980s on the part of experts and of political leaders. It is strongly marked by the French cultural and political context³ often described by the Anglo-Saxons as "corporatist model" (Madanipour, Coaches and J. Allen 1998; Ion, 1995). As from this date, the concept will spread and occupy an increasingly larger place in the political discourse as a plague to be fought and, in this connection, will become the mainspring of public policies. Two significant dates mark this expansion at the European level which was a strong vector of diffusion of this French concept towards other countries: in 1989, the announcement of the "fight against social exclusion" as an aim set by the Council of Social Affairs Ministers of the European Community towards the "Europe of Solidarity" (Room, 1991) and in 1996, the changes of the European Social Charter which, in its Article 30, states a right "to protection against the risks of poverty and of social exclusion", opening the possibility of legal action against a State.

But if the concept appeared at the turn of the 1990s, it inherited a history started as early as the 1950s which gradually formed it and of which it still carries the traces. This history and its stages are the subject of a sufficiently broad consensus among authors for a rapid presentation hereafter.

The first stage is marked by a date, 1974, and a work, that of Rémi Lenoir, "Les exclus, un français sur dix" (Excluded persons, one French in ten) the success of which is immediate. The striking title, chosen by the editor (Didier, 1996), opened a wide-ranging debate. The excluded persons in question formed a composite whole combining the physically disabled, dropouts, people with low-income and the social misfits "lacking" in professional skills. This involved all the casualties of the growth economy, an empirical reality for which the author did not propose any reasoned category. At this first stage, exclusion does not really structure political action. It is growth and therefore its stimulation which has to succeed in these residual situations that were called then "pockets of poverty" (Galbraith 1958; Stoléru 1974).

³ According to Esping-Andersen (1985) the term of social exclusion would have been introduced into the European Community by Jacques Delors in the middle of the 1980s.

The charity action dominates the second moment of the discourse on exclusion. The Roman catholic association ADT Quart-Monde, in particular, promotes the term of social exclusion which will be popularised by the emblematic Father Joseph Wresinski (Klanfer 1965; Wresinski 1987; Audollent, Fayard 1999). With this term, the association wants to give an account of two important observations. On the one hand, "the pockets of poverty" far from disappearing worsen and expand despite the rise of the average standard of living of the rest of society. On the other hand, this worsening is explained by the presence of processes of destabilisation which, combined with various dimensions of life (housing, family, work), can lead any individual to be cut off from its own society. This ATD Quart-Monde analysis, refers exclusion to the social processes and no longer to individual states such as Rémi Lenoir could analyse them. In addition, exclusion is no longer only monetary, it becomes cultural and calls for integration for all the dimensions of life. It is the reason for which the qualifier "social" is added to the term exclusion. The rise in unemployment, the increasing insecurity of trajectories, the economic recession cast doubts on the virtues of growth (Atkinson, 1998). The fight against exclusion and "the social fracture" become the political slogan more capable of mobilising and gathering the community. In this connection, they appear in the programmes of every government, or even in the electoral campaigns of all political parties except the extreme right.

At the third and last stage, the way is given to the social workers and to the scientists, statisticians, sociologists and other ethnologists or psychologists who, within limited spaces, undertake partial analyses of the phenomenon. The concept is no longer questioned. This involves describing the processes and the situations precisely and, if possible, developing indicators to measure threshold of exclusion and of reintegration. The amount of research conducted during the period still widen the scope of exclusion and the number of the factors under consideration. At the same time, the political action becomes very explicitly organised around this concept as testified, in France, by the law against exclusions adopted in July 1998. This action calls for evaluations, therefore new studies and new indicators which maintain the extension process described above. The synthesis of the work on exclusion attempted at the end of the 1990s have met with difficulty to organise this plentiful social production and to avoid cataloguing (Paugam 1996; Strobel 1996; Thomas 1997).

In reality, these three moments are not so clear cut. The charity action was present as from post-war reconstruction (the priest Abbé Pierre and the homeless in 1954) and continues until today, supported by the NGOs' action. In the same way, during this period, work on case studies and the concern for counting never ceased. But these three stages mark three separate ways of stating the problem of exclusion which articulate overall economic situation, perception of the extent of the phenomenon of exclusion and leading "enunciators" of the discourse the value system or the operation rules of which stand out and mark deeply the period.

Thus, Rémi Lenoir's warning on the excluded persons occurred in a context where the belief in the saving virtues of economic growth is such that its thesis really is not discussed. On the other hand, the discourse of ATD Quart-Monde, in the economic situation of the 1980s and in view of the breadth that the phenomenon took, engulfed all the other discourses. The latter incorporated, without inevitably sharing them, the humanistic and Christian underlying values. In a certain way, the real success of Lenoir's book is due, paradoxically, to the supremacy of the discourse on the exclusion of the second period which re-read and re-appropriate previous work to support its arguments. This re-appropriation leads, in this case, to a misunderstanding which will remain present in the exclusion concept and will explain partly the polysemia mentioned above. Rémi Lenoir reasoned in terms of individuals in a liberal system. Finally his arguments will be developed and discussed in a completely different vision, that of an interdependent and responsible community towards its members in which the debate carries on the conditions of integration.

For the third period, if actors remain those of the previous periods and if the economic situation hardly improves, the supremacy returns to the bureaucratic machinery (Didier 1996). This machine does not have a specific discourse, it is simply responsible for implementing the general policy guidelines on the fight against the exclusions stated during the previous period. One of the principal effects is the multiplication of the specific observation points supposed to be used as a basis for public policies which can be assessed. The rules of operation of the administrative machinery dominate the period without nothing of the previous periods being given up. The exclusion concept that we handle today is at the same time amalgam and sedimentation not only of separate preferences taken by the concept over the course of time but also of all the contexts which produced these preferences. One understands thus that the concept "is saturated with meaning, with nonsense and with misinterpretations..." (Freund 1993).

UNIVERSALIZATION OF THE CONCEPT

The capacity of the social exclusion concept to amalgamate very heterogeneous ideas is not completed. It continues today with an opening towards the Anglo-Saxon problems of poverty led in terms of underclass and considered hitherto very specific. This opening occurs especially by means of the methodology used by the administrative studies of the third period, often carried out in the form of action-research. The analyses of individual paths, of the processes and of the interactions which characterise the Anglo-Saxon method are very appreciated, probably because they fulfil best the descriptive and often performatives requirements of these studies on publics judged to be "high risk" (homeless, drug addicts, lone mothers, marginalised young people, etc.).

One can be surprised at the ease with which these methods were adopted despite obvious cultural differences. In fact, these differences are not so clear. The way in which poverty was apprehended in the Anglo-Saxon world resembles much, although on different basis, the history of the term of exclusion that was presented above. In the Anglo-Saxon world, the underclass concept structures research and debates. Since the middle of the 1970s, it has been dividing the points of view on poverty in two quite separate camps for or against : the first put forward the structural factors such as the restricted offer in housing, employment or education for certain people (black ghettos in particular) which, to adapt to these restrictions, develop a marginal counter-culture. The others stress personal, or even psychological factors. This distinction echoes a traditional partition between "deserving poor" and "non deserving poor" (Geremek 1978; R. Castel 1995) of which the problem of "welfare" and "workfare" offers a modern version.

In this quite precise context, the underclass concept presents the same polysemia, plasticity and performativity than that of social exclusion (Katz 1993; Herpin 1993; Wacquant 1996; Fassin 1996). The same diversity of "enunciators" is found: journalists, activists, political leaders and endless research workers called upon to prevent risk situations and to reduce as far as possible the extent of poverty. The same dilatation of the concerned publics which, from the black inhabitants of inner city ghettos, stretch today to people for whom the ethnic characteristic is no longer the only characteristic considered but also many other variables. And, behind this extension, analysts discover the same processes of precariousness that must be identified in order to elaborate prevention mechanisms. The attempts at sociological formalisation of the concept also stumbled without managing to build a real concept which would establish a scientific consensus. Lastly, the underclass concept evolves today by incorporating an increasingly individual psychologically-oriented vision which reduces considerably the cleavage mentioned above (Koegel, Melamid, Burnam 1995).

Whatever the country under consideration and its cultural tradition, the designated phenomena seem therefore still resistant to the reasoned category. The marginalidad concept which structures the debates on poverty in Latin America are no exception. Like the two others, it is polysemous, plastic and performative (Fassin, 1996). The concepts "social exclusion", "underclass" and "marginalidad" are so close from the point of view of their characteristics that they become almost interchangeable. One can think that the greater inaccuracy of the first concept and its strong suggestive power give it the advantage and encourage its extension well beyond the French cultural context which gave it its impulse. Indeed, it is that concept which can be found in the texts of the large international organisations such as the UN, the OECD, the UNDP, etc., since the middle of the 1990s (Audollent, Fayard 1999).

But this universalisation can also be explained by other virtues. It seems that the main one is that it draws spontaneously an overall image of the society which ensures its existence and reassures it. This overall vision is paradoxical since it is acquired on the basis of a division between the excluded persons and the others. It is thanks to this capacity to develop a coherence of the entire society that exclusion acquired dominant paradigm statute.

CITIZEN MODEL AND RECASTING OF THE REPRESENTATION OF THE SOCIETY

This paradigm constituted itself in the second period of the discourse on exclusion, i.e. at the time when the dominant "enunciators" belong to the charity current. The way in which the latter defined exclusion, as refusal of fundamental rights, suppose a social contract engaging the whole society. Poverty is not simply revolting, it is evidence of a collapse of the democratic functioning of the societies unable to ensure for each one of their members equal access to what makes the "good life" of the philosophers (Wresinski 1987; Despouy 1996; Thomas 1997; Audollent, Fayard 1999). We do not want pity, they say, but justice for all. This justice does not engage only the economic aspect: "the social fracture is not only a question of money. Between "surviving after a fashion" and leading "fulfilling life" there is a gap which is due to a range of decisions and choices open to everyone" (Wresinski 1987). These "choices open to everyone" concern just as well employment as housing, health, justice, education, training, culture or family and child protection. They make up a number of resources considered essential to a worthy human life and to the exercise of real citizenship (Paugam 1993). To speak about exclusion, is therefore to speak about a responsible community bound to solidarity by the democratic principles on which it is based. One of the main effects of exclusion is really therefore to produce the idea of a community by exempting it from the examination and of course of its criticism. If exclusion is misfortune then integration is good and the society which is inclusive is good too. It is shielded from analysis, *a fortiori* from criticism.

In this democratic contract, citizens have not only rights but also duties. They have in particular to agree to make the effort to integrate. This duty justifies the fact that working conditions or career prospect are imposed on certain public said "in difficulty" jobs or training which can be "bad" with respect to pay. But which are "good", however, because they enable individuals to lead a citizen's life and the community to do its duty. Besides there may be more at stake for the political leaders to propose mechanisms of this type than for the excluded persons to agree to enter them. If members refuse the clauses of the contract, they scorn society standards and therefore call it into question. When this refusal comes from excluded people (suburbs for example), resorting very much to the deterministic explanation can be understood as softening the rejection and limiting the questioning of society. Individuals have mitigating circumstances which are, in fact, society's failings towards them. If they

are responsible for their insertion path, they are cleared of their situation of excluded persons. And this allows the peaceful cohabitation of liberal and radical discourses. One could make similar remarks in connection with the underclass concept.

The fact that there are "poors" is never discussed in relation to the existence of the "rich" in the same society. Ambition is not the members' equality but "the equity" of their situation which sends back to the way in which the advantages arising from the community are distributed (Rawls 1987, 1997). Society is a large "distribution operator" (Ricoeur 1988) of collective resources that are work, housing, health, culture and education. In such a society, poverty is intolerable because it pushes some away from redistribution. The analysis of the inequalities, as such, loses of its relevance. Society is there for all and it is perfectible to the horizon of perfect distribution , the proof of which would be the eradication of exclusion.

Today, the fight against exclusion is also a priority because it gives to the democracies a means towards perfecting in a world where East-West confrontation has disappeared. This global representation of the society is an immense service rendered to the States the existence of which became axiomatic and the action, central in the development of societies. Social exclusion, on the basis of an "ethical" dimension, reasserts the value of "politics".

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PART THREE

DOES EXCLUSION IN WORK RESULT FROM DIFFERENCES IN ECONOMIC STRUCTURE?

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INTRODUCTION

This part of the report discusses the relationship between economic structure and the presence or absence of exclusion in work in different national economies - partly through general argument and partly through detailed reference to the two sectors for which we have some relevant comparative data. Initially we sketch the common context of globalisation of capital, markets, products and services and technologies in a period of slow-down by comparison with earlier growth rates, pressurising national economies to reorganise and restructure, and pressurising firms to adapt increasingly competitive responses. This leads us to ask the question whether there are any particular structural patterns that have been adopted or have evolved that are more likely to be associated with exclusion in work than others? To answer this question we take two approaches. We first examine the macro economic structure within which exclusion occurs and the role of the state within that structure and develop an index of the risks of exclusion, and then we consider the comparative experience of two sectors that exhibit different forms of 'working exclusion', hotels and restaurants and textiles.

STRUCTURAL OUTCOMES OF GLOBALISATION

The evolution of the European economy during the last two decades has been conditioned by the increasing globalisation of product markets, of new technologies and of American culture. As a result national economic structures were restructured and reorganised to varying degrees. Full employment ended and a new environment developed dominated by precarious employment, high unemployment and long duration unemployment and by the problems with social exclusion and poverty. Business restructuring appears to have become a continuous process as national and multinational capital makes repeated adjustments to unstable product markets. One obvious and key change in structure has been the continuation of the tertiarisation

of the economy, the shift from industrial and primary sector occupations to the service sector. Table 1 illustrates the resurgence in employment in the UK and Portugal in the mid-1990s, along with similar patterns of growth in hotels and restaurants compared to stagnation or decline in textiles everywhere except in Italy where the two sectors grew pretty evenly at the rate of the rest of the economy.

TABLE 1 CHANGES (%) IN EMPLOYMENT LEVELS IN FIVE EUROPEAN COUNTRIES, 1993-1998

	UK	Portugal	Italy	France	Sweden
Textiles	-1.6	-68.3	+7.5	-24	-34.4
Hotels/restaurants	+13.1	+32.3	+6.7	+1.1	+27.5
Whole workforce	+16.7	+10.8	+7.4	+2.5	+0.9

In the primary sector there has been a sharp reduction in the numbers engaged in farming work, down from 11.7% in the EU15 in 1974 to less than half that level today (4.7% by 1998) (Carpenter and Jefferys 2000). Since most of those left tend to be mainly individual family producers, with a high number of women, and older and with low levels of education, the sector has become even more dependent on temporary and seasonal work.

Flexible working has also been taken up by the service sector. During the last decade its dynamic has constituted one of the major elements of European growth, in particular in education and recreation and personal services as well as in the hotel, restaurant and coffee shop sectors, as well as real estate and communications and banks. Table 2 shows the distribution of the whole workforce according to broad economic activity in the six countries of the network in 1998:

TABLE 2: EUROPEAN LABOUR FORCE STRUCTURE, 1998 (EUROSTAT 2000), RANKED BY SIZE OF SERVICE SECTOR FROM THE HIGHEST (LEFT) TO THE LOWEST (RIGHT)

%	UK	Sweden	Belgium	France	EU-15	Italy	Portugal
Agriculture	1.7	3.0	2.2	4.4	4.7	5.8	13.7
Industry	26.6	25.9	27.3	26.4	29.6	32.7	35.8
Services	71.4	71.0	70.5	69.2	65.5	61.5	50.5
Total labour force (m)	26.9	3.9	3.9	22.5	152.5	20.4	4.8

While there are variations, with Italy and Portugal's service sectors undeveloped by comparison with the four northern European economies, there is no mistaking the trend. Between 1985 and 1995 across salaried employment rose by 3.1 per cent a year in market services (up by 4.6 million jobs), by 2.3 per cent in hotels and restaurants (up 0.9m), by 1 per cent in each of retail and wholesale (up 1.5m) and financial services (up 0.4m), and by 0.9 per cent in government services (up 2.2m). This total of 9.5 million new service jobs over ten years contrasts with falls in jobs in virtually

every manufacturing industry, including a million jobs in textiles and clothing, and half a million in each of agriculture and fishing and fuel and power (EC 1997: 89).

There is nothing inherent in a 'services-led' society that means working in one is necessarily less stable than working in an 'industry-led' society. Yet services in contemporary economies do have some characteristics associated with precarious employment. Thus the average service firm size tends to be smaller. More of these firms, too, are family-owned businesses than in the industrial sector. Though there are huge European service organisations like government-funded health, education, social and environmental services, as well as private sector banks and huge insurance companies, most private sector services are delivered 'closer to the consumer' by smaller firms, or through large firms whose employees are organised in smaller units than in comparable industrial companies. Small firms in the private service sector are associated with less employment stability because they both appear and disappear more quickly than larger firms. Thus all sizes of private and public service sector firms are more likely than are industrial firms to employ part-time workers for greater flexibility of operation (Carpenter and Jefferys 2000).

There is therefore a crude probability that as tertiarisation continues more jobs will adopt the precarious characteristics of many existing service sector jobs. For example, up to some as yet undetermined maximum level, continuing structural change appears likely to encourage further part-time working. By 1998, 22.1% of EU15 service sector workers worked part-time compared to 6.6 per cent of all industrial workers (Eurostat 2000). In every EU country except Denmark and Sweden (where it was already at a high level in the 1970s) part-time working increased enormously in the 1980s and 1990s. Overall some 17.4 per cent of all those working in the EU15 in 1998 worked part-time compared to just 10.8 per cent of EC9 members in 1979 (Eurostat 1981: 33). In several countries, for example, it is clear that manufacturing has a much higher proportion of permanent jobs than the individual service sector. In France, for example, in 1998 the 'intermediate' manufacturing sector (including chemicals, cars, textiles and engineering) fixed term and temporary workers make up just 4.3% of the mass of employees (excluding apprentices), while in the personal services sector they make up 12.7% (INSEE 1998).

Not surprisingly, therefore, an OECD (1996) report shows a greater incidence of low pay in services than in manufacturing: 8.5% compared to 5.1% in Belgium (1993), 13.2% compared to 11.5% in France (1995) and 20.8% compared to 17.8% in the UK (1995). This incidence translates into even starker figures when the distribution of low pay is considered. In the UK 73% of all low-paid workers in 1995 worked in the service sector; in Belgium this figure was 72% and in France 67%.

If it were available data might also show that EU labour turnover in private service firms is higher than in private industrial sector firms, or that there are many more

unskilled jobs in the EU's private service sector than in its manufacturing sector. These are two hypotheses supported by widespread anecdotal evidence from our network countries.

While we are not suggesting that exclusion in work is absent from manufacturing – we shall discuss the textile industry in detail later – it does appear safe to conclude that the risk of exclusion in work is greatest within the EU15 service sector where women workers make up the majority (51%), compared to 22.6% women among the EU labour force in industry, and which also employs high proportions of young, unskilled and ethnic minority workers (Eurostat 2000). Consider again the example of France. In 1998 'foreigners' made up 10.6% and young workers aged between 15 and 24 made up 16.6% of the labour force of France's hotel and restaurant sector while 'foreigners' were only 6.6% and young workers only 3.4% of its textile workers (INSEE 1998).

INDEXING THE RISK OF EXCLUSION AT WORK

However, it is not possible to make an equation between the size of the service sector and the volume of exclusion in work. As a share of employment, for example, the service sectors of Sweden and the UK are virtually the same size, yet the extent of exclusion in the two countries is very different. One factor contributing to such differences may be the role of nation-specific regulations that shape the actions of buyers and sellers of labour power. Some economies are clearly closer to a de-regulated neo-liberal ideal than others. A key structural predictor of the general risk of exclusion in work could be the presence or absence of protective labour regulation that defends those most exposed to exploitative employment relations (particularly women, the young and ethnic minority workers). One reasonable hypothesis to test is that the risks of exclusion in work will increase the closer an economy gets to a 'free' labour market.

Several studies have attempted to summarise the extent to which particular economies experience state regulation in specific areas of economic life. One recent OECD report, for example, examined 'regulatory barriers to entrepreneurship' in 1998. It detected three kinds of barriers: 'barriers to competition', 'regulatory and administrative opacity' and 'administrative burdens on start-ups', and created an index of these barriers, in which the UK had the fewest barriers, being scored at 0.5 out of a maximum of three, and Italy and France were co-highest with 2.75, just ahead of Belgium on 2.6. The other two countries in our network were located at intermediate positions: Portugal at 1.5 and Sweden at 1.75 [OECD, 2001 #1]. However, possibly the most comprehensive attempt at indexing the whole combination of different regulatory impediments to the working of the free market is that carried out regularly by Milton Friedman's associates. This 'Freedom Rating' scores economies out of ten, where ten is 'total freedom', and the US is given 7.9. Our

network countries are scored for 1975-1980 and again in 1995 as shown in Table 3 (see [Carpenter, 2000 #2: 128-9]).

TABLE 3 'ECONOMIC FREEDOM' RATING BETWEEN NO FREEDOM (1) AND TOTAL FREEDOM (10), BETWEEN 1975 AND 1995 (RANKED LEFT TO RIGHT BY 1995 RANKING)

	UK	Belgium	France	Portugal	Sweden	Italy
1975-80	4.6	5.6	3.6	2.5	3.5	3.6
1995	7.3	6.3	6.1	5.9	5.9	5.5

The index confirms that all countries have moved some way towards Friedman's 'economic freedom' in the 1980s and 1990s. But it also suggests, as does the OECD (2001) study, that there remains a quite significant distance between the UK and the rest of Europe.

Does the degree of state regulation make a difference to the extent of exclusion in work? In order to answer that question we need to try and create some form of measure of the prevalence of such forms of exclusion within different countries. While this form of exercise is only a heuristic device there are several different sorts of measures that can be combined to help identify those economies which are likely to have a greater risk of sustaining exclusion in work. Here we first create indices for each of several different data sets that reflect one aspect or another of exclusion in work: the proportion of poorly qualified young people between 18 and 24 who are not undertaking studies or training (Eurostat data for 1997-1999, quoted Le Monde 22 May 2001); incapacity-free average life span at birth (1997-1999 data in (WHO 2000)); income inequality among all full-time workers (1993 data in (OECD 1996)); employee working time and prevalence of unsocial working hours regimes (1998 data in (Eurostat 2000) and the formal coverage of sectoral collective bargaining agreements (1995 data in (ILO 1997)). The construction of these indices is shown in Table 3, where the top (5) and bottom (1) performers are given maximum and minimum numbers on each element, while the other countries are graded in between.

TABLE 4 CONSTRUCTION OF A ROUGH COMPARATIVE INDEX OF RISKS OF EXCLUSION IN WORK BETWEEN SIX EUROPEAN COUNTRIES

	UK	Portugal	Italy	Belgium	France	Sweden
% of 18-24s unqualified	19.7	45.5	27.2	15.2	14.7	7.3
YPI (Young persons Index) / 5	3	5	4	2	2	1
Years average incapacity-free life span	71.7	69.3	72.7	71.6	73.1	73.0
LSI (Life Span Index) / 5	3	5	2	3	1	1
D1/D5 income inequality ratio	1.78	1.64	1.61	1.43	1.65	1.34
INI (Income Inequality index) /5	5	4	4	2	4	1
Usual full-time employee weekly hours	44.0	41.0	38.5	39.1	39.7	40.1
FTHI (Full-time hours index) / 5	5	3	1	2	2	2
% average working anti-social hours ⁴	15.7	14.7	17.0	12.5	10.7	18.3
ASHI (anti-social hours index) / 5	3	3	4	2	1	5
% covered by collective agreements	26	70	75	90	90	85
CAI (collective agreements index) /5	5	2	2	1	1	1
Index average	4	3.6	2.8	2	1.8	1.8

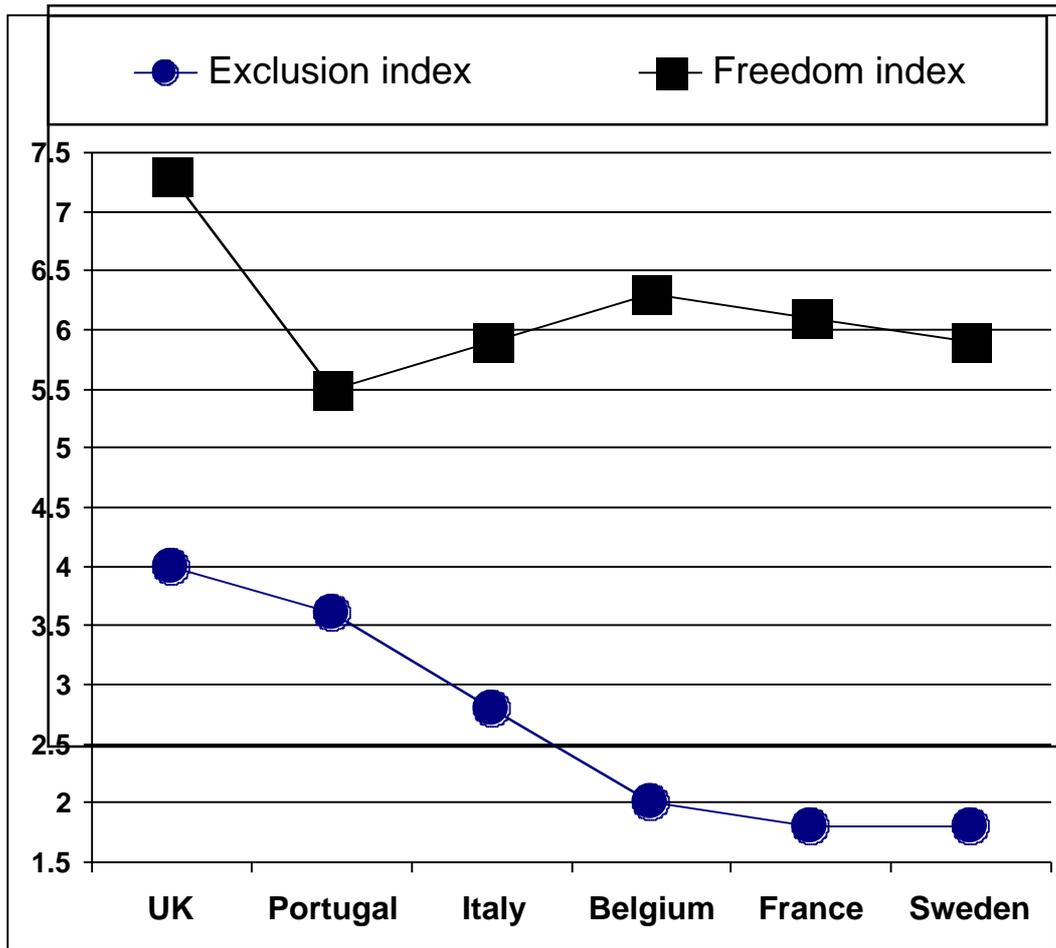
The object in selecting these particular six measures is to capture at a macro level the different facets of working lives whose skill content, exposure to risks of earlier death or incapacity, level of pay, working patterns and extent of involvement of the unions are, taken as a whole, likely to mean that more individuals are excluded from the experiences and entitlements of the majority of workers in that society. They are not the only measures available for the task, and much further work needs to be done to improve the tool.⁵

⁴ This is itself an amalgam of five averages of the total population who answered yes that they usually work – shifts, in the evening, at night, on Saturday and on Sunday.

⁵ Comparative death rates amongst employees rather than amongst the whole population would give a better guide to the impact of working conditions; as would reliable comparative data on such issues as work accidents and stress.

Taking the average of these separate indices allows us to arrive at one index figure that can very stand as a very rough proxy for the comparative chances that citizens living within each of the countries analysed will experience exclusion in work. We can now map this Exclusion index against the Friedman ‘Economic Freedom’ index as shown in Figure 1.

FIGURE 1 EXCLUSION AND STATE REGULATION COMPARED IN SIX EUROPEAN COUNTRIES



The correlation between the two curves of Figure 1 as they stand is only 36% suggesting little direct relationship between ‘economic freedom’ and greater ‘risks of exclusion’. However, this reading is based on the low ‘economic freedom’ scores given to the state bureaucratic (and in places corrupt) Italy and to the still strongly corporatist Portugal. However, these countries may be mistakenly being rated as more ‘regulated’ by Friedman than is in fact the case. Thus while Portugal introduced a national minimum wage in 1996 (now equivalent to 250 euros) its low level and uneven implementation means that its impact is still unclear, while the application of Italian regulations are sometimes open to negotiation. If these two countries are left out, then the correlation between the curves displayed by the remaining four countries becomes nearly total (98%).

On balance, then, it appears safe to conclude (within the qualifications of the experimental nature of this form of comparison) that low levels of state regulation are associated with the presence of high risks of exclusion, although very high levels of state regulation are no guarantee that exclusion will be less than in other slightly less regulated economies. A firmer version of this conclusion is to state that where the economic structure evolves simultaneously towards an overpowering service sector and towards very little state regulation the risks of exclusion in work are likely to increase. Our detailed discussions focused on two sectors within each of the six network member countries, one in the services sector and one in industry, and it is to these comparisons that we now turn.

EXCLUSION IN WORK IN SERVICES AND INDUSTRIAL JOBS

In order to make some viable comparisons between the institutional risks of exclusion in work within the network member countries we decided to focus on two ‘typical’ branch sectors – one in services (hotels and restaurants) and one in manufacturing (textiles). The choice of these two sectors was made partly because of the availability of some reasonable statistical data and partly because in their different ways they provided good illustrations of the complex issues involved.

HOTELS AND RESTAURANTS: TEMPORAL FLEXIBILITY-DRIVEN EXCLUSION

Notwithstanding the evidence of McDonalds, Starbucks and several hotel chains that show the hotel and restaurant sector is now substantially penetrated by global players, for the main it is a locally-resourced sector of economic activity that is closely linked to the wider local and regional economy. Due to this specificity, hotels and restaurants bring together a group of economic activities that could contribute to preserving regional and local characteristics with a low risk of relocation. It is also particularly interesting for us because over the last two decades while in all six countries in our comparison employment has expanded considerably, the industry is strongly seasonal and is a major user of temporary and part-time labour. Its growth has thus been based

on a highly responsive work force permitting management to adjust quickly, with ease and at low cost, to changes in market demand. In many cases the dominance of seasonal work reflects on the quality of the service offered since it implies resorting to weakly-qualified workers who work in the hotel and restaurant sector only during a certain period of the year and who often do not have specialist training. It may therefore be considered to be an industry at high institutional risk of providing 'bad' jobs, in the sense of sharing characteristics such as being insecure and poorly-paid, having a low-skill content and requiring anti-social hours working. Trade unions rarely have much input over their working conditions and in most countries workers in this sector are frequently found to be working irregularly or 'illegally', placing all of them still more clearly in a subordinated situation.

Yet the hotel and restaurant sector is also expected by many to fulfil a strategic role at world level since it is foreseen that during the twenty-first century the economy will be based on the "three super-services": Telecommunications, Technologies of Information and Travelling and Tourism. If true the sector is likely to show still greater growth in the future by comparison with other business activities than in the past. In particular, international tourism is likely to contribute to the economic development of destination countries that are best able to provide winning combinations of the following factors: high quality accommodation and support infrastructures; high levels of education and training of those working in the sector; widespread and correctly targeted promotions; the preservation and conservation of the environment; product diversification; and investment in technology. The competitive logic of tourism, therefore, would suggest that on balance a rational employers' agenda is to develop personnel policies aimed at reducing the proportion of employees who are only offered 'bad jobs'.

However, this logic comes up against a combination of short-termism on the part of employers (particularly those in SMIs) and the core seasonality of the business in the northern hemisphere. Thus it appears that the trend remains to increasingly employ seasonal workers, part-time workers, temporary workers, as well as some categories of the self-employed – even though this may have an impact on the quality of the service offered. Thus as many as 64.4% of those employed in 1998 in the Belgian hotel and restaurant sector were part-time workers as were 54.4 % of the British and 20% of those in the French. In the textiles sector, by way of comparison, part-time workers made up just 5.5% of employment in Belgium, 6.6% in France and were at about the national average part-time level of 23.3% in the UK. In Italy another form of temporal flexibility is extensively used: very long working hours. In the hotel and restaurant sector men work six hours a week on average longer than all men in employment (46 hours) while women work seven hours a week longer (40 hours).

Hotels and restaurants also continued to employ a high proportion of women workers. In 1998 the proportions of women in the sector in our target countries ranged from

48% in France, 53% in Belgium and 59% in the UK up to 62% in Sweden. They also tended to employ younger workers more frequently than did manufacturing. In Belgium, for example, in 1998 as many as 30% of non-manual workers in the sector were aged under 25, compared to just 11% of the equivalent workers in the textile industry.

As a result of the particularly high use of flexible forms of work organisation in hotels and restaurants and the preponderance of women in the workforce, average earnings are much lower than in manufacturing. Across the four countries for which we have comparable earnings data, France, UK, Sweden and Italy, in 1998 average earnings in hotels and restaurants averaged only 71.9% of national average earnings – a figure that can be compared with the 86.3% averaged in these four countries' textile industries, to which we turn next.

Across the six European economies we are considering the average share of employment held by the hotel and restaurant sector grew between 1993 and 1998 from 4.4% to 4.5%. Yet in spite of this growth 'working exclusion' in the sector remains a high risk, driven by a combination of four related factors:

- 1) The unskilled nature of many of the sector's jobs and its low level of investment in technology.
- 2) The seasonal instability of demand for the industry's services and an exceptionally high level of temporal flexibility.
- 3) High levels of local competition and a high proportion of small, family-owned firms at the bottom end of the market.
- 4) Weak or non-existent levels of union organisation, collective agreements and effective state regulations of wages, working hours and conditions

TEXTILES: NUMBERS-DRIVEN EXCLUSION

The Western European textile sector illustrates the presence of another significant form of 'working exclusion': that where comparatively stable jobs are rendered insecure and ultimately at risk of 'working exclusion' as a result of job losses driven down by international competitive pressures. Textiles are relatively easy to transport long distances and the European industry has thus been particularly susceptible to global economic trends, with exceptionally high levels of third-country (Turkey, Eastern Countries, China, Hong-Kong, South Korea and Taiwan) as well as intra-EU competition. It contrasts sharply with hotels and restaurants in having witnessed considerable employment cuts over the last period. Thus Table 4 confirms reductions in textile jobs as a proportion of all employment in five of the six countries considered here, the exception being Italy where employment in the sector actually grew (up from 391,800 in 1993 to 421,200 in 1998), retaining its proportionate share.

TABLE 5: EUROPEAN CHANGES IN TEXTILE AND HOTELS AND RESTAURANT EMPLOYMENT, 1993-1998 (RANKED BY SIZE OF TEXTILE SECTOR, 1998)

	Textiles		Hotels and Restaurants	
	1993	1998	1993	1998
% of all in employment				
Portugal	15.1	4.3	5.4	6.4
Italy	1.9	1.9	5.3	5.3
Belgium	na	1.5	na	3.5
UK	0.8	0.7	5.7	5.8
France	0.8	0.6	3.3	3.2
Sweden	0.6	0.4	2.2	2.8

Despite the Italian exception, however, whereas in 1993 the average (unweighted) employment share of textiles in the target countries was 3.85%, five years later it had more than halved to 1.6%.

The sector shares some characteristics with hotels and restaurants. Thus the low level of capital investment in the sector tends to mean that most of the textile labour force also has few qualifications. This tends to mean that while they are not as low paid as hotel and restaurant workers (who have much greater temporal flexibility), they are either at or below national average rates of pay, ⁶ that is at very low levels for manufacturing workers, as shown in Table 5.

TABLE 6A FOUR-COUNTRY COMPARISON OF AVERAGE EARNINGS IN THE TEXTILE AND HOTELS AND RESTAURANTS SECTORS, 1993-1998 (RANKED BY TEXTILE PAY, 1998)

	Textiles		Hotels and Restaurants	
	1993	1998	1993	1998
Average earnings (%) compared to all in employment				
France (yearly)	95.3	100.6	52.0	54.8
Sweden (weekly)	n.a.	94.6	74.8	78.0
Italy (weekly)	83.6	80.0	85.5	88.3
UK (weekly)	70.7	69.9	64.3	66.4

Textile workers are also often employed under extreme conditions of contractual flexibility (for example many recent immigrants employed in the sector still work 'illegally' as home workers paid by the piece). Many of these textile workers are women – 40% women in Belgium, 41% in the UK, 48% in France, and 76% in Sweden. In several countries a higher proportion than elsewhere in manufacturing tend to work on temporary contracts. The sector contains many small firms and is often deficient in professionally-trained managers as well as in highly qualified staff.

⁶ The near national average earnings rates in France and Sweden reflect both the low proportion of part-time workers in the sector in those countries, and the historically stronger sectoral collective bargaining coverage.

These firms tend to use family-type organisation and are concentrated regionally, often in geographical areas associated with nineteenth rather than twenty-first century industry.

While parameters like the rational organisation of production and the technological flexibility to respond to the market variations are also important, as a whole it is clear that high market competitiveness is continuing to take its toll on the industry's investment rate and on its production costs. Thus while the French textile industry lost 42,000 jobs between 1993 and 1998, it also had recourse to a series of flexibility measures – many of which will have had the effect of encouraging exclusion in work. Table 6 illustrates these responses in a survey conducted in 1997:

TABLE 7 FLEXIBLE WORK REORGANISATION IN THE FRENCH TEXTILE INDUSTRY, 1997

Work reorganisation methods	1997 % using	% Use change 1994-1997		
		More	Same	Less
Overtime	54.2	6.4	76.4	17.2
Agency workers	54.8	20.0	70.0	10.1
Fixed term workers	72.9	18.4	73.7	7.9
Part-time working	25.2	10.1	87.4	2.4
Short-time working	28.7	9.4	79.2	11.4
Annualised working time	9.8	3.8	95.3	0.9
Variations in working patterns	36.1	14.4	82.0	3.7
Sub-contracting	49.8	16.2	77.4	6.4

By contrast with the hotel and restaurant sector Europe's textile industry appears very much on the defensive. The result is that exclusion in work appears less in the form of temporal flexibility described above (seasonal, part-time and temporary work), and more in the form of numerical flexibility (lay-offs, short-time working, agency staff and sub-contracting). As a result textiles also remains at high risk of 'working exclusion'. But in textiles it is more shaped by a traditional employment relationship that the employer might end for external economic reasons, thus encouraging low wages and employee fear, while in hotel and restaurants the employer often wants the employment relationship to be renewable on demand.

To summarise, 'working exclusion' in textiles remains a high risk for some of the same reasons as with the hotel and restaurant industry, but the combination of factors driving it is slightly different. Two of these are the same as for the hotel and restaurant sector outlined above - (1) and (3). But the second factor in the list below highlights another issue (falling employment), and the fourth describes not the absence of trade union organisation, but its weakness.

- (1) The unskilled nature of many of the sector's jobs and its low level of investment in technology.
- (2) Weak demand for the industry's products and a high level of job losses.

- (3) High levels of local competition and a high proportion of small, family-owned firms at the bottom end of the market.
- (4) Weak or ineffective union organisation.

CONCLUSION

This brief review of the tertiarisation of 21st Western European economic life has highlighted the fact that this structural trend leads to increased risk of exclusion in work – people required or forced to work for low pay, in poor conditions, under considerable stress and with little or no job security.

It has also suggested that the tendency of tertiarisation to foster ‘working exclusion’ may be limited by state regulation.

We then considered two different sectors that are strongly affected by ‘working exclusion’: the hotel and restaurant industry and the textile industry. These were found to be experiencing ‘working exclusion’ in different ways. In the former the predominance of low pay, unskilled work and poor working conditions was associated with the flexible character of the basic employment relationship: employers saw temporal flexibility as a major source of their profitability. In the textile industry, however, similar outcomes were associated with numerical flexibility: employers used job reductions and increased workloads to secure profitability, but dealt by and large with a permanent (though shrinking) workforce.

There were, of course, considerable national variations within these patterns. In particular, the sharp contrast in levels of risk of working exclusion between the two most strongly tertiarised economies, the UK and Sweden (see Table 2) – repeated even in these two at risk sectors, hotels and restaurants and textiles, as shown in Part 3 above – suggests that national institutional features make a significant difference to exclusion outcomes. These features, ranging from collective bargaining coverage to social security and more generally to a wide range of forms of interference with ‘economic freedom’, do appear to influence what might otherwise be viewed as ‘inevitable’ economic laws.

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PART FOUR

DO SOCIAL PROTECTION ARRANGEMENTS MAKE EIW MORE OR LESS LIKELY?

(brief summary)

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The aim of this chapter is to map and discuss social policy and different forms of social protection arrangements in the six countries included in this report, with particular attention to the ways in which such policies may contribute to the risk of social exclusion. In the 1980s and 1990s we have seen a distinct change of direction in the way that states intervene in the labour market. There is an ongoing move from an 'equal outcomes policy' towards an 'equal opportunities policy', that is, a policy aiming at increasing unemployed people's labour market value through training and education, rather than at supporting them financially when they encounter difficulties with employment. A model for 'active' employment policy has been adopted at EU level, heavily influenced by Swedish terminology and a Swedish outlook, including, for example, the involvement of the social partners in the policy-making process. These policies are effectively linked to social security.

The statutory rules for social assistance differ slightly between the six countries, with some common features. Social assistance should be guaranteed people with no right to a legal pension, and to disabled people with no job. In most cases it is linked to the benefit taker's household situation. There is also a series of more specific social subsidies added to these core features, such as benefits for single-parent families, housing benefits, and so on. To a large extent social minima in the six countries follow the EU intentions, that is, they are increasingly associated with occupational integration policies.

The conditions for achieving unemployment benefits are very similar to the conditions for social benefits. In all the six countries, except Belgium, the right to benefits is limited in time. With the exception of Italy, benefits are due to workers who have involuntarily lost their job. A major difference compared to the eligibility criteria for social assistance is that the unemployment benefit takers must have paid their contributions over a required length of time. The levels of benefits are highly variable between the countries.

Health services in Portugal, Sweden and the United Kingdom are statutory and financed by taxation, either local, regional or national. All residents, not only citizens, are covered in the three countries. The Italian system also covers all residents, is statutory, but financed by a mixed system. Belgium and France stick out a bit from the four other countries. A main difference is that the cover is based on social and economic categories. All risks are covered for employees while only important risks are covered for the self-employed. In both countries, though, supplementary insurance is covered either by mutual, non profit-making insurance companies, or by private insurance systems.

All the six countries have put the question of pensions problem on their agendas. The solutions sought generally go in the same direction: flexible retirement age, strengthening of the basic, generally weak, state provision schemes with occupational schemes and/or systems of private insurance. Workers in irregular or part-time employment, with carrier breaks or late starters, will find themselves in the lower classes of pensioners, with allowances closer to the guaranteed minimum incomes by social assistance than by the occupational or legal solidarity schemes. The most rapidly changing systems are the Swedish and the Italian ones. In both countries, the system is changing from a scheme based on earnings with a relatively short period of contribution to a system based on contributions with a longer period of payment.

The growth in in-work benefits is particularly clear in Belgium and in the UK. By this term is understood the development of forms of income support to underpin low wages. The aim of such type of provision is to support the shift from benefit as a form of out-of-work insurance to a form of support for those in work.

PART FIVE

PUBLIC POLICIES AND SOCIAL EXCLUSION

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INTRODUCTION

All governments, no matter what their political colour, claim that they actively try to prevent social exclusion. The countries most influenced by neo-liberalism, such as the USA and the UK, have for decades claimed that the answer is more freedom of market, of capital transactions, labour migration and so on. In the more traditional welfare states, mainly in Northern and Central Europe but also Southern European countries such as France, government views and policies have been more ambivalent. On the one hand, most of these countries have accepted stronger neo-liberal influence due to pressure from the recession in the early 1990s and the urge to fill the EU's convergence criteria. On the other hand, the same countries have largely maintained a welfare state over the 1990s (Carpenter and Jefferys 2000, pp. 195–6).

When neo-liberal politicians claim that their politics prevent social exclusion, however, they largely refer to creating new jobs. Aspects such as 'poor jobs' or 'the working poor' are not considered. On the contrary, the acceptance of poor jobs – that is, a large wage-spread – is often seen as a pre-condition for a wealthy economy and with that for new jobs. The reason is simple: if governments do not accept a larger number of low-paid jobs, the leading (manufacturing) companies will literary take their business elsewhere, to low-wage third world countries. Such a move is facilitated by the revolution in telecommunication and computer science, which has made traditional institutional factors less important and international capital 'borderless' (Ohmae 1990).

Hence, in the long run, neo-liberal politicians and representatives of big business argue that it is necessary to consider a dismantling or at least a radical rethinking of the traditional welfare states. Needless to say, to avoid inflationary wage-price spirals, cutting public expenditure is an important part of this politics, which makes precarious jobs even more precarious.

This debate is well known to most people, and the trend is the same in all western countries, even if the shift has gone the furthest in the UK and the USA. Fundamental to this discussion is the globalisation process, since any welfare regime – strong or weak – is depending on which side the government takes in relation to globalisation. In a global economy, it is often argued, there is no room for protectionist national states. Moreover, globalisation is not only limited to the liberalisation of international trade. It is sometimes even argued that trade and international economy is no more globalised today than it was in the beginning of the last century. Yet, within and between multinational companies there has been an increasing cross-national integration of production, which certainly is a new ‘globalised’ phenomenon (Hyman 1999, p. 91). There is an ongoing globalisation of production systems, a homogenisation of production on the basis of certain fundamental principles, such as lean production, *Kaizen* and just-in-time, the implementation of which are claimed to be adaptable to local conditions and in all industries all over the world (Durand 2001).

In other words, to understand governments’ labour market policies, or lack of policies, to prevent social exclusion, we must first understand the influence of globalisation, or perhaps more correctly, the influence of the globalisation *discourse*. In the next section, we will outline a model for understanding the differences between the influence from *actual* globalisation processes and the influence from the *discourse* on globalisation, drawing mainly on studies by Ulrich Beck. For instance, as mentioned above an increasing wage-spread is often seen as a necessary means to create new jobs or at least to stop existing jobs from moving to Asia. Hence, in public debate all over the western world it is often argued that when it comes to employment, the UK and the USA both perform very well. They are both ‘high employment economies with large low-wage sectors’ (Casey and Gold 2000, p. 97). Yet, according to the OECD’s 1996 *Employment Outlook*, increased wage-spread had not created new jobs either in the UK or the USA; it had only increased poverty. Nor had the large wage-spread given the low-paid employees a first opportunity to enter the labour market and after that work their way up to better paid jobs; the low-paid had stayed at the bottom. Moreover, in the mid-1990s, the level of fully employed people, capable of gainful employment was, for example, twice as high in Germany, a country which largely maintained a traditional corporatist labour market regime, as in the UK, (60 per cent and 30 per cent respectively). Twenty years earlier the level was above 80 per cent in both countries (Beck 2000, pp. 58–9). Moreover, it is true that transnational trade and production has strengthened over the last few decades, but largely within and between the EU, the USA and East Asia (Japan). In comparison, investments in the former Eastern bloc and third world are still of very little importance (*ibid.*, pp. 119–21).

To conclude, from a social exclusion perspective there is little evidence that neo-liberal labour market policies are or has been the necessary answer to globalisation. Yet, neo-liberal politics still offer, the best answer according to the dominating discourse on globalisation. For decades apologists within big business, universities

and journalism have paved the way for a neo-liberal concept of the world, with the result that neo-liberal solutions seem to be the only acceptable ones to the challenges from globalisation (Bourdieu 1998, Beck 1998, p. 25). Since the conclusions in the 1996 *Employment Outlook* do not fit very well in to the common discourse, they have accordingly been largely ignored.

GLOBALISM AND GLOBALITY

Even if western governments' policies are influenced by the leading discourse on globalisation, it is an undeniable fact that the challenges from globalisation are also to a large extent real. Western Europe's wealth and the way it has been distributed, has always been conditioned by the international economic evolution. Hence, the faster cross-national capital transactions and integration of production take place, the more exposed are the national industrial relations and welfare systems to changes outside their borders.

One way to shed light on the difference between 'real' challenges and the discourse is to use the German scholar Ulrich Beck's concepts 'globalism' and 'globality'.⁷ A rather over simplified version would say that if globalisation denotes different, irreversible processes which undermine the national states' sovereignty and power, globalism and globality denote different views of these processes. Both views agree that the world is in some way 'global', but while the best metaphor for the globality view is that we are living in a 'world society', a metaphor for globalism is 'world market'.

Globalism thus means the primacy of the economy. The world market is the prime mover in the globalisation process and it eliminates or at least supplants all important meanings of political decisions and actions. In fact, all other dimensions of globalisation, both ecological, cultural and political ones, are secondary to the economy, or even reduced to a single, economic dimension. Moreover, the dependence on the world market is constantly escalating. In its extension, this implicates that a nation can and should be run in the way that a company is run (Beck 2000, p. 9, 118–9).

Yet, the idea that all aspects of globalisation can be reduced to an economic dimension and that political decisions are always subordinated to the dominance of the world market are not based on empirical evidence; it is based on neo-liberal ideology. The mono-causal and economist globalism is the most important part of – actually almost synonymous with – the neo-liberal view of globalisation. In the words of Beck (2000 p. 118): '*[b]oth the attraction and the danger of this by no means novel historical metaphysics of the world market have their origin in a compulsive quest for simplicity to provide some bearings in an opaque and*

⁷In German: *Globalismus* and *Globalität*. In the following, Beck's original discussion is slightly modified to be easier to adapt to our study.

unfathomable world'. As mentioned in the previous section, strong neo-liberal apologists have for long worked to create a widely accepted neo-liberal discourse and the notion of globalism is a key result of their ambition.

Globality takes a broader view of globalisation. True, the integration of the national economies is an important part of the globalisation processes, but other equally important aspects are cultural and political forms, which collide with one another due to the internationalisation. A world society, Beck (2000, p. 10) states, '*denotes the totality of social relationships which are not integrated into or determined (or determinable) by national-state politics.*' Furthermore, a world society is '*a multiplicity without unity*' (*ibid.*).

There are several important practical consequences of these definitions of globality. One is that actions that had been purely national, or even 'local', a century ago now have global effects. For example, if the rain forest is devastated, it is not just a matter between the Brazilian government and some American multinational, it affects the whole world. Another consequence is especially important for the study of industrial relations and welfare regimes. Even if a 'locally' developed ideas and production concepts, such as lean production or just-in-time, turns global, it does not inevitably lead to an international convergence of work organisation, production, industrial relations – or welfare policies. The most notorious advocates of japanisation often arrive at a rather Taylorist viewpoint; there is a 'one best way', even if that way is lean production and not MTM. '[T]he fundamental ideas of lean production are universal – applicable anywhere by anyone', as the authors of the famous MIT study *The Machine that Changed the World* put it; thus they did not have to pay attention to any particular features of Japanese society (Womack et al. 1990, p. 9).

If the MIT study is right, if a 'machine' (in the MIT case a car) could be made in the same way all over the world regardless of the cultural context, then the neo-liberal, globalist view would also be right; the region with the lowest wages would also be the region best suited for production and a dismantling of the western welfare state is inevitable. Yet, if we believe instead that when diverse national systems face the same global challenges, the result might just as well be 'a multiplicity without unity' as a convergence, national welfare regimes are still possible. Several studies have also showed that the national contexts *are* still important for the impact of globalisation, both regarding business, work organisation and production (cf. Hyman 1999; Jefferys, Mispelblom–Beyer and Thörnqvist 2001).

At the globalist pole we would find countries where the governments have totally accepted the hegemony of the world market. 'Politics' in its classical sense is reduced to a tool for preventing economic barriers and facilitating capital investments within the national borders. Moreover, at the globalist pole we would find a total acceptance of the neo-liberal discourse as a description of reality. This is in line with what Beck

(2000, p. 10) refers to as the Thomas theorem⁸: what people believe to be real becomes real in its consequences.

At the globality pole we would find countries, which try to cling on to the traditional welfare state, no matter what global challenges their facing. Politics' central task is still, in the words of Beck (2000, p. 9) 'to define the basic legal, social and ecological conditions under which economic activity first becomes socially possible and legitimate'.

It must be emphasised that both the poles are ideal types, and that neither extreme position would be likely to prevent social exclusion in the long run. As mentioned above, globalisation is real and the challenges from it demand new solutions. Yet, the neo-liberal answer has sprung from a politically created discourse and there is no empirical evidence why the answer should have to be the same in all countries. Furthermore, all features of a country's welfare system do not have to move in the same direction or at the same time. We are also talking of a continuum between two poles, not of statistical variables on an exact scale.

GOVERNMENT POLICIES IN THE SIX COUNTRIES

Since all the six countries' policies are to some extent depending on EU decisions, we start this section with a brief overview of the shift in the EU's politics.

Faced with the deep recession of the early 1990s, the Union's policy on social exclusion – and against 'social dumping' – moved towards the Globalist pole. To keep the jobs within the Union, it was argued, external competition had to be met with measures aimed to reduce public deficit, reduce inflation and stabilise the national currencies. These measures implied a greater acceptance of more precarious jobs, a larger wage-spread, a more 'flexible' and intensive use of employees and resorting to numerous lay-offs and anticipated retirements. Another means to improve competitiveness was to facilitate the creation of highly qualified jobs in the expanding industries, which widened the inequality gap even more.

When the recession diminished, however, the direction of the EU policy again turned towards the globality pole. In the end of the last decade the overriding political objective of the EU Member States, as reflected in the Treaty of Amsterdam in 1997, was to reduce unemployment, at all costs. If the Treaty of Maastricht is seen as the high point of the adoption of neo-liberal economic policy by the EU, then Amsterdam can be seen as an attempt to mitigate its effects, without sacrificing the underlying economic policy objectives.

⁸Named after the philosopher Williams Isaac Thomas in 1928.

Some of the means that were now highlighted were the articulation of social protection, employment and training policies as a model between situations of exclusion and social integration; promotion of social partnership and social dialogue; encouraging sectoral, regional and local approaches to create a business-friendly climate and to resolve social problems; developing programmes and pilot-projects for 'good practices' in areas or groups considered priority; and providing financial support or tax reductions to companies for hiring youth, handicapped and long-term unemployed people.

To discuss how debates about globalism and globality are revealed in real politics we intend to organise the next section around a case study of the UK. The UK has experienced the strongest move towards a deregulated, decentralised, market oriented, neo-liberal system. The case study will focus on the following areas: 1) macroeconomic policy, 2) government rhetoric about social exclusion, 3) taxation and social security policies;

MACRO ECONOMIC FACTORS

In the UK an understanding of the historical and ideological context of policy formation is important. There have been large political shifts from right to left although it could be argued that many changes exist more in rhetoric than in reality.

Before the election of Margaret Thatcher in 1979 poverty and social exclusion certainly existed but there was a broad political consensus that part of the role of government was to reduce inequality. The radical political position, which drove the 1979 conservative government, was a commitment to low taxation and lower welfare spending. In the 1980's Margaret Thatcher developed the policies out of her ideological commitments which would define public expenditure for the next fifteen years.

However there is also some evidence that a different approach to welfare would have been necessary whoever was in government after the oil rise in 1973 and the IMF loan negotiated by the Labour party in 1976. It was James Callaghan's Labour government (in office from 1974-1979) which made real strides towards monetarism and welfare reform. Due to deteriorating financial conditions Healy, the Labour Chancellor applied for and received a loan of \$3.9bn from the IMF in December 1976. In return for the loan the Chancellor promised to cut the Public Sector Borrowing Requirement (PSBR) to \$8.5bn and that the growth in the rate of money would be slowed down to deflate the economy. Therefore, while Thatcher is often credited with being the first to implement monetarism it was actually Denis Healy, the Labour Chancellor who began the process of adjustment: "The turning point-point in macro-economic policy, if not politically, was as much in 1976, as in 1979 or 1981" (Riddell, 1989: 16).

There were two major global developments during the 1970s that, it can be argued had a major impact on UK domestic macroeconomic policy. First of all there were major oil shocks which effected the whole world. Secondly, the international political economy underwent significant structural changes. The rise of the multi-national company relied on the ability to move capital with speed and to locate production anywhere in the world. *The rise of the multi national company relied on a core-periphery structure whereby a small core of employees would handle finance, research and development. This core would depend on a fragmented (often temporary) periphery which could be placed anywhere in the world – where ever it would be most profitable for the periphery to be (Cox, 1994: pp 47).*

This obviously does not apply to every kind of company but even as an over generalisation this gives a sense of the changes. This had a major impact on the economy of the UK as the traditional industries were undermined by changing trends and demands resulting in wide scale unemployment.

It can be argued that these global developments were very important for the direction of economic policy in the UK. The global economy became very competitive. The multinationals that emerged wielded a great deal of power over nations and these global firms could threat relocation if investment did not suit them. The Conservative government set about creating the conditions of low-inflation and low taxation in order to attract investment. Margaret Thatcher`s economic policies and welfare policies must be seen in the light of some of these global developments. Decisions were taken to create the flexible workforce which is subject to very little regulation. This could be understood as a move towards *globalist* economic policies.

THE LABOUR GOVERNMENT

Since the election of the Labour party in 1997 there have been continuities with the Thatcher governments but also differences. New Labour argues that there is greater long-term thinking behind their strategy. “New Labour is in this sense post-Thatcherite. For New Labour in particular, the supply side of the economy requires the active support of government to secure employment and social inclusion.” (Driver and Martell 1998) However Labour remain committed to a form of Monetary Policy in which low inflation is the main aim. Also low taxes are part of Labour policy, the rationalisation being that both low taxes and low inflation encourage business to invest which is good for the overall growth of the economy. Gordon Brown’s catch-phrase is ‘prudency’ – tight monetary spending, tight fiscal policy and long termism instead of cheap short term political aims. On macro-economic policy, the Major government and Labour under Gordon Brown look remarkably consistent. On the fundamentals, New Labour has accepted that Old Labour was wrong and Mrs Thatcher was right, and it has moved on to Tory economic ground.” However, it is on details that they differ. The commitment to community and inclusion are a break with the Thatcher past and new policies such as welfare to work, the minimum wage, EU

social chapter, education and training emphasise that New Labour are not the Tories of old.

The rhetoric of social policy has shifted from providing counterbalances to capitalism (the health service, tax and benefits) to supplying the basis for a prosperous economy (through education and training). Under Thatcherism, the notion of 'rights' that formed the basis of Keynesian policies were questioned – the right to health, education and social security. Other ways of providing these 'public' services were introduced (private health, private or opted out schools, private insurance and security). Whatever the rhetoric, this process has not been halted under Labour and in some cases has been extended.

In recent comments, Tony Blair has also indicated that there were no plans to increase regulation in the UK labour market, so very little change is expected. Job security is therefore not a high profile policy issue except in a negative sense. It could be argued that Labour have moved towards a *globality* economic vision, this is only partially borne out by the facts.

GOVERNMENT RHETORIC ON SOCIAL EXCLUSION

In the UK there has been a long running debate about the relationship between poverty and social exclusion. The latter is not an easy term to define. It has been pointed out that the term may have gained currency because it has no precise definition. (Atkinson A. 1998) Writing for the pressure group 'Child poverty Action' Oppenheim recalls how the Conservative government disliked using the term 'poverty' during the 1980's (Oppenheim C. 1997). This may have given the term 'social exclusion' greater political acceptability.

Commentators have warned against assuming that social exclusion and poverty are the same thing. Poverty may be temporary but a major aspect of social exclusion is the lack of a more secure future. Robert Walker explains:

When poverty predominantly occurs in long spells...the poor have virtually no chance of escaping from poverty and therefore, little allegiance to the wider community...in such a scenario the experience of poverty comes very close to that of social exclusion. (Walker R. 1995 p.103)

THE CONSERVATIVE APPROACH TO THE SOCIALLY EXCLUDED IN THE UK

Welfare policies under Margaret Thatcher bore the unmistakable imprint of the prime minister herself and the results of her commitments continue to be evident in 2001. The zeal with which policy reform was initiated owed a considerable amount to the ideological commitments of the radical conservatives, who were supported by a largely right wing press. In relation to poverty, the government saw its role as providing a minimum for those in poverty rather than tackling wider questions of

social injustice. A strong emphasis on personal responsibility lay at the heart of Conservative party policy in all areas. The welfare state itself was seen to have created a dependency culture and many aspects of poverty were redefined as behavioural problems mainly of the working class. Margaret Thatcher wrote in her autobiography:

“The most important and most difficult aspect of what was needed to be done was to reduce the positive incentives to irresponsible conduct...We were feeling our way towards a new ethos for welfare policy: one comprising the discouragement of state dependency and the encouragement of self reliance.” M. Thatcher 1993 p. 629

Underpinning this approach was the idea that ‘the market’ would provide by delivering rising living standards. The ‘trickle down’ approach theorised that the growing economy would eventually provide higher living standards for those at the bottom. One aspect of this approach was the refusal to acknowledge that poverty actually existed. In 1995 the Joseph Rowntree foundation published a report outlining the increase of poverty in the past decade and drawing some conclusions as to the causes for this increase. The response of Peter Lilley, then Secretary of state was to question the political neutrality of the author of that report (Hills 1995) implying that it was an ideological mouthpiece of the left wing. Peter Lilley also refused to comply with the UN social summit’s requirement that national strategies to tackle poverty should be designed. He argued that the UK case did not require such a strategy. ‘During the 1980’s ‘the refusal to use the term poverty combined with secrecy about official statistics created a widespread distrust of official data.’ (Oppenheim C. 1997)

The effects of the years of conservative governments was that many people were left behind in the economic race of the 1980’s and 1990’s. As average incomes and living standards have risen, those on low incomes, including benefits recipients, saw their real incomes and living standards decline. Not only had the incomes of the poorest fallen or stagnated, but their access to public services has declined. Policies of privatisation in transport and basic amenities, such as water gas and electricity have often led to cuts in services and higher prices.

THE LABOUR PARTY

Once in power Labour came up with a definition of social exclusion:

Social exclusion is a shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown.’(Social exclusion unit. 2000)

They also initiated a ‘Social Exclusion Unit’. The above statement from the Social Exclusion Unit points to the areas of public policy which the present government consider important in relation to social exclusion. The labour government has made social exclusion an integral part of policy. In every area in receipt of government

funding, including the socially excluded has become a major criteria for receipt of funds. The regional arts councils for example are funding projects where inclusion is a major criteria. Social exclusion is taken seriously at the level of rhetoric. Under the Labour party the language of inclusion forms part of government rhetoric and policy to some extent. This has not led to a more tightly controlled labour market, although trade unions are beginning to press for this. Nor has the rhetoric led to a substantial redistribution of wealth. In the latest manifest, the Labour party have promised to keep income tax at its present levels. This means that direct taxation, which disproportionately effects the poor will be the tax area for any rise.

TAXATION, PAY AND BENEFITS

A) TAXATION ---

It has long been the policy in the UK to undertake some redistribution of income through the taxation system. In 1999 households in the bottom quintile had an average original income of £2,310. After redistribution through taxes and cash benefits these households had an income of £4,430. Adding benefits in kind such as health and education the initial income is £8,310.

In the UK, policy debates have often centred on direct taxation. Cutting taxation was a continuous policy for the Conservative party since 1979, continuing today. The Labour party has not been seduced into the same dynamic and yet they also maintain a policy of low direct taxation and low inflation as an incentive to investment. As a consequence indirect taxation is a major income generator for the treasury. Indirect taxes affect the lower income bands far more. For the lowest percentile, indirect taxes represent 22% of their expenditure. The lowest group have a higher expenditure on goods and services than disposable income. Higher income groups are not effected in the same way as they have greater disposable income.

Interestingly, however until the 2001 election there has been very little debate in the UK about indirect taxation unless applied to petrol or cigarettes. This must be a result of a number of factors. First these taxes are hidden and people do not always realise the amount they are paying. Second they hit the lowest paid the hardest but these are also the people with the least ability to enter debates and influence political agendas. Third the interests of middle and upper classes are to keep the direct taxation low. This is in opposition to the interests of the lowest paid workers.

B) PAY ----

In the UK the difficulty of escaping from poverty through work is highlighted by evidence from the UK 'Households Below Average Income' survey (HBAI) (DSS 1996) which suggests that there is movement for people in poverty from the bottom

rung of the ladder. However it is often a revolving door from unemployment to low pay to unemployment again. Drawing on work from the Institute for Fiscal Studies the HBAI (1996) shows that although people in poverty do move up from the bottom of the ladder a large proportion do not move very far.

Between 1991 and 1994, 40% of the bottom tenth decile group moved up one step to the second bottom decile. 18 % moved up to the third bottom decile. 22% moved up to the fourth or fifth decile. 10 to 15% of the sample experienced poverty continuously.

In the 1996 Joseph Rowntree study into Income and Wealth, Hills tries to untangle the web of interconnected reasons for the UK's sharp rise in inequality and social exclusion over the previous twenty years. He points to the 1980s as a critical period. In particular he identifies the dispersion of male earnings `which is now wider than any time in the century for which we have records` as a key factor.

He discusses how between 1966 and 1977 male wages at different levels rose at broadly the same rate. Between 1978 and 1992 the lowest wages were stagnant or falling, while in real terms there was a rise of 35% for the median and 50% for the top. Between 1979 and 1994 the total weekly income, after housing costs, at July 1996 prices, increased from £331 per week to £546 for the richest 10% but fell from £78 to £68 for the poorest 10% (DSS 1966). The only narrowing wage gap was between male and female full timers.

The minimum wage was introduced in 2000 and this was raised in March 2001 to £4 20p an hour. For those people who are able to secure the minimum wage this will be an improvement. There are many thousands of workers unable to secure minimum pay because they are young employees, home-workers or those who fall into other categories where the minimum rates do not apply.

C) BENEFITS

Benefits are dealt with more fully in another part of the report. However it is important to point to one benefit which impacts directly on one of the most vulnerable groups of people on low incomes – low paid workers with children including single parents. For these low paid workers with childcare responsibilities, working more than sixteen hours a week, there is the Working Family Credit. This guarantees an income of £208 per week.

This is important as children are disproportionately represented in the lower income families. Men are more likely to live in households at the top two quintiles 46% compared with 33% in the bottom two quintiles. Children are much more likely to live in the bottom of the income distribution with half of them being in the bottom two quintiles.

In the UK there have been a series of debates about single parents during the nineties. This debate was fuelled by the spiralling costs of benefit payments. The Labour party has entered this debate by suggesting that single mothers should be encouraged back to work. The Working Family Credit must be seen in this context as it can make a tremendous difference to the income in a low income family.

CONCLUSION

In the UK efforts continue to ensure that the UK is a hospitable environment for global capital and business. This continues to be promoted as a way of generating wealth, securing employment and thereby reducing social exclusion. The kinds of jobs which result from these policies are rarely put under scrutiny. The interplay between globality and globalism can be seen in the changing political alignments and yet, despite its history of socialism, the Labour party could be seen as continuing to follow largely globalist policies.

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PART SIX

TO WHAT EXTENT DO LABOUR MARKET POLICIES MAKE EXCLUSION IN WORK MORE OR LESS LIKELY?

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INTRODUCTION

It is important to identify the paradoxical discourse concerning the factors contributing to ‘exclusion’ within employment. Contrary to the assumption that access to employment is the factor determining social integration (and social inclusion) there are forms of employment which exclude rather than include. These are closely linked to active labour market policies. Here, there is a discourse about incentives to find work and the extent to which levels of welfare benefit act as a disincentive to find work.

Economists have developed the concept of ‘the reservation wage’ – the threshold at which work becomes more attractive than unemployment. This same question is treated under the concept of ‘traps’ to employment or inactivity (for example, in France and Belgium). From this point of view, it is the divergence between a household’s or a person’s income from benefits and allowances (including the tax advantages and the family allowances) and the expected wages in full-time or part-time employment which is significant. Employment policies (e.g. the UK) have aimed to use a combination of labour market programmes and benefits in work as a means of shifting the incentives to the unemployed to take jobs which would not otherwise cover their subsistence needs. The social, moral and cultural ramifications of these concepts serve as the ideological bases for employment programmes involving ‘work for benefits’ and the development of specific forms of employment.

The unemployed are sometimes considered (certainly in the UK) to be insufficiently motivated to find work. Some governments argue that welfare benefits should be cut (they act as a ‘disincentive’ to find work) or to be made conditional on participation of job search activities. Gallie argues that the research evidence suggests that the unemployed demonstrate no motivational deficit in relation to work; that the length of period of job search is positively correlated with the quality of the job found; and that

higher levels of welfare benefits do not discourage the motivation to find work (2000).

The characteristic of employment which excludes are jobs employment which, instead of making it possible for people to come out of poverty, maintains them in it. The aim of this chapter is to identify the characteristics of these forms of employment and the common elements resulting in exclusion or likely to contribute to it among the different national configurations.

This proposal for defining specific forms of employment which contribute to exclusion is based on the fact that those who live in poverty and depend on social welfare are no longer just those who are classified as economically inactive, but includes workers on low wages and/or in unstable employment. In this respect, the term 'the working poor' can be used.

A first question to be addressed is whether the employment policies of the different countries can be compared. The second is to consider whether, even if there are specific national characteristics to these policies, there might be some common trends.

NATIONAL CHARACTERISTICS OF THE EMPLOYMENT POLICIES AND COMMON DEVELOPMENTS

We know that individual national histories influence the contents and significance of the employment policies. Both Barbier (1998) and Gautié (1998) argue that employment policies need to be analysed in their national contexts as they articulate with other sets of institutions. The construction of legal standards and the social protection systems of each country have specific social forms, based on the historical development of the economy, forms of wage labour, the state, and the labour movement. Each country has its system for defining unemployment and entitlement to welfare payments, for fixing pension rights, and for establishing what is a 'normal' working time.

During the last thirty years, industrial restructuring, competitive pressures and the growth of unemployment have had an impact on minimum social standards and the way in which social welfare are organised. In the majority of the cases these transformations were implemented gradually without overturning the general structure of the system. By successive incremental changes, well-established systems for administering unemployment or vocational training benefits were challenged or redirected towards new objectives.

CAN A SINGLE MODEL BE IDENTIFIED ?

Barbier (1998) has questioned whether these modifications have led to the development of a single European model for employment policies. Previously it was considered that the European project concerned only the harmonisation of the national policies to ensure the primary objective of the free movement of goods and services. Barbier considers that a standardised presentation of the measures adopted in each country can be articulated around key concepts such as employability, exclusion, integration, vocational transition, flexibility, social economy. This makes it possible to build 'a grid of comparative public expenditure concerning seven items with universal definition' (1998). These can then be classified in two main categories: active policies and passive policies.

The fact that the same discourse is found in different countries does not necessarily mean that they are doing the same things, but rather that these terms (like employability) are ambiguous. They can mean different things in different contexts and can be reworked according to local conditions.

For other authors, such as Vogel (1997) the use of these key concepts is significant, because they serve as criteria for the evaluation of employment policies that each member state must report on in its Employment Action Plan. In this respect the European Union is contributing to the construction of a common model through the diffusion of 'good practice'. The hypothesis here would be that the co-ordinated strategy initiated in Essen would contribute to encouraging the states to develop more coherent interventions, aiming to reduce the role of social welfare and the unemployment benefits which 'obstruct the efficiency of labour markets' (Barbier, 1998).

For Vogel, the alignment of the social policies in Europe results from the member states' adoption of the objective of labour market flexibility. Any obstacle to these 'necessary changes' is considered to have a negative economic impact which would reduce employment still further (1997). He examines this proposal through the development of European labour law. For him the base of the labour law rests on the model of traditional employment (full-time open-ended employment contract). Noting that states wanted to widen the field of the law to atypical contracts like part-time work, fixed-term contracts, government-sponsored contracts etc, thereby encouraging their regularisation and thus their spread. Moreover, while making it possible for the workers in these atypical forms of employment to benefit from the protection of the law, which formally appears to be equitable, the actual result is to weaken its power of protection. Indeed, in practice, in the more precarious and less stable situations of work, it is more difficult if not impossible to enforce those rights. Outside their original social framework, the nature of these rights changes. So for example the right to unemployment benefit was applied to part-time workers in Belgium. The purpose

of unemployment benefit was originally to maintain the standard of living to allow workers to move between jobs. When it applies to part-time workers, it now gives them a right to a proportion of the benefit, which reduces the level of benefit and makes the transition between jobs more difficult. Similarly, rights guaranteed in collective agreements can not be monitored when they are extended to the sub-contracting small and medium enterprises. This is also the case when they are applied to agency workers. In many cases, even when these rights are recognised, they are not claimed.

COMMON EXPERIENCES AND SPECIFIC PROCESSES OF IMPLEMENTATION

An employment policy involves the intervention of public authorities in the labour market to improve its operation. These interventions are based on ideological assumptions of different schools of Economics (IRES, 2000). A variety of tools can be mobilised: wage or family taxation, social security systems (unemployment benefit in particular), labour law, social policy, vocational training systems, the general education system, and even family support systems (child and elder care provision).

Active labour market policies vary considerably between the countries of the European Union and in the way they interact with social security provision and the public employment services. Variations are found in the extent to which the unemployed are treated as customers or passive clients of a social work process, the level of control or coercion exercised and the amount and quality of training that they receive, as well as the extent of wage subsidy involved (Gray, 1991).

There are four major models of European welfare states which impact on the operation of labour market programmes and the integration of the unemployed and those 'outside the labour market' into employment. Rubery and Smith (1999) identify the following models :

- 1) Nordic 'everyone a breadwinner' (e.g. Sweden, Denmark and Finland)
- 2) 'Continental European modified male breadwinner' (e.g. Belgium, France, East Germany) ; 'male breadwinner' (e.g. Germany, Austria, Luxembourg).
- 3) Liberal 'more than one breadwinner' (e.g. United Kingdom, Ireland)
- 4) Mediterranean 'family as breadwinner' (e.g. Italy, Greece, Portugal, Spain).

The formulation adopted here by Rubery and Smith refers to other typologies of more theoretical or pragmatic nature for classifying European social policies.⁹ Their classification has the advantage of taking into account the gender dimension of the employment policies generally neglected by the international institutions.

DIFFERENT MODELS, SIMILAR EFFECTS

A typology of intervention models of the public employment policies makes it possible to identify their rationale and to draw up proposals for improvement in a given national context. Nevertheless, these models do not allow the concrete direct effects of policies on individuals to be examined. Even though national frameworks and specific programmes vary, it is often the same categories of workers, welfare recipients, types of families and social groups which are affected. The types of employment such as part-time hours, temporary work, jobs requiring a low level of formal qualification and unfavourable conditions of employment have similar conditions. Wages are low, there is little career progression or access to training, and working conditions are unsafe or dangerous

The sectors of activity where these forms of employment are concentrated are also sectors with little or no unionisation. Many activities are in sectors of the economy which have grown following the sub-contracting of activity carried out previously in larger production units, or as a result of the privatisation of public service activities. The latter may be in the private sector or in social or 'non-profit' sector of the economy. In addition, employment in the traditional service sector which has always demonstrated relatively unfavourable conditions of employment has expanded.

Labour market policies often target specific social groups. These groups are not the same in every country and may change over time due to the changing perceptions of policy-makers. For example, in the UK in the early 1980s, the Conservative government supported the withdrawal of state intervention in the labour market. The riots of 1981 forced them to seem to be doing something about youth unemployment as a matter of political expediency. In contrast, since 1997, the Labour government has prioritised young people (education and training) and making single parents work through a mixture of coercion and financial incentives. Even though the priorities in terms of target groups may change, in practice it is often easier to deliver on programme objectives for groups who are relatively well-located in the labour market. For example, since 1997 in the UK there are four types of programme within the 'New Deal': subsidised employment, full-time education and training, the voluntary sector, the environmental task groups. All participants must go through a process of guided job search 'Gateway' which can last up to four months. For those who are still

⁹ For example, Gautie (1998) uses OECD figures to show the share of GDP devoted by the states on social expenditure is lowest in the 'liberal' countries (- 2%), average in 'corporatist-liberal' countries (between 2 and 4%), and the highest in 'social –democratic' countries (4.5%).

unemployed at the end of four months and not in one of the options there is an 'extended Gateway'. Not surprisingly the first three categories fare best in terms of access to training, employment and the development of self-confidence and those in the extended Gateway fare worst.

In Belgium, one of the first target group of employment policies was young people, 18 to 25 years old, for whom were set up a range of job-integration programmes, linked to specific forms of employment and accompanied by the creation of training and job placement organisations. Today, the field has widened and diversified according to political priorities and to the relative shortage or abundance of labour.

THE PERSISTENCE OF POVERTY AND GOVERNMENT POLICIES

Traditionally and historically, poverty has been associated with labour market inactivity. Since the Middle Ages, poor have been forming part of the social landscape of the Western societies and have a reserved place in them.. But as from the 18th century, Montesquieu and the Encyclopaedists considered that the state had to ensure the well-being of all or, failing this, the right to work. From here comes the idea that poverty can be escaped through work (Geremek, 1987)

Today poverty and exclusion are associated or, more precisely, the concept of exclusion has replaced poverty. This linguistic operation has been criticised in particular by the European anti-poverty networks, because it masks the reality and persistence of poverty in industrial society of the end of the 20th century (Vranken, 1998). It appears, with regard to the definitions of the concept proposed in the Employment and Exclusion network (Workshop 3) that the most general use of the term exclusion relates to economic inactivity and the level of income attached to it. For example, welfare and unemployment benefits and other social minima may be linked to a poverty threshold which represents a part of the median monthly income.

The 'new' dimension of the question concerns the articulation between work and poverty through the extension and the encouragement of the new forms of employment, in particular short-time work (not only part-time work, but other atypical forms). 'Prestations reduites' (reduced working time) introduces time as a parameter in relation to a legal, collectively agreed or usual working time. Reduced time results in reduced wages, and they, in turn, mean reduced entitlement to social welfare.

POVERTY IN WORK AND FORMS OF EMPLOYMENT

Insecure jobs and poverty in work go together with some forms of employment. In our network, the concept was approached through the concept of 'bad jobs'. But the concept also includes the legal status (in relation to the standard employment contract), indirect forms of employment (home work or self-employment), the

previous status (unemployment), and working conditions (unsocial hours, dangerous, repetitive work, low skilled/without access to training`).

The emphasis on the reduction of labour costs and labour market flexibility, on the one hand, and the creation of jobs at the lower end of the labour market specifically to absorb the unemployed, on the other, has resulted in a polarisation in the labour market. In the period between 1977 and 1997 in Britain McKnight found that a 'hollowing out' of the employment structure had occurred, with job growth concentrated at the upper and lower ends of the labour market. This also affects job mobility. Once in employment, many workers have limited possibilities for occupational and career progression. McKnight's work shows that those who start their careers in the lower segments of the labour market are least likely to be occupationally mobile and to receive training and development which can enhance their careers (2000). In sub-contracted services, like cleaning, and in jobs created for the unemployed the scope for mobility into related areas of work is not only reduced, but restricted by organisational boundaries created by sub-contracting.

Workfare programmes require the unemployed to work for benefits. To what extent do these programmes undermine conditions of employment? On the basis of their comparative study of the US and the UK, Peck and Theodore argue that workfare programmes are aimed not at the de-regulation of the labour market but, on the contrary, to re-regulating the contingent labour market. This leads to 'a reordering of the unemployment queue in accordance with relative degrees of job readiness which is re-sequenced on the basis of administratively mediated, marked criteria from the most to the least employable» (2000). This hypothesis appears relevant in Belgium for certain sectors of activity where the 'least employable' job seekers are placed and whose conditions of employment are the most degraded (vocational transition contracts, ALE, Article 60, and other jobs designated as 'activated').

If the jobs the unemployed enter are examined, important questions are raised about the quality of work and employment. Gallie (2000) compared the new jobs of the unemployed with the jobs of a representative sample of manual workers. He found a high level of coercion in taking the job, low levels of unionisation and high levels of job insecurity (see table below). Not only were the jobs more likely to be temporary, but 30 per cent of workers were anxious about unjust dismissal and 55 per cent stated that they were likely to leave the job within a year.

COMPARISON OF NEW JOBS OF UNEMPLOYED WITH REPRESENTATIVE SAMPLE OF MANUAL WORKERS

	New job of unemployed	All manual workers
% little or no choice in taking current job	77	58
% in jobs needing qualifications	14	44
% had training for this type of work	32	42
% using computerised/automated equipment	20	29
% member of a trade union	11	35
% anxious about unjust dismissal	30	21
% on temporary contract (less than 12 months)	36	5
% very/quite likely to leave job within a year	55	25

(Source, Gallie, 2000:11).

This table also suggests that we must question the extent to which ‘training programmes’ aimed at placing the unemployed in jobs provide skills, qualifications and competences necessary to obtain employment and, more importantly, to remain employable. Only 14 per cent of those surveyed by Gallie were in jobs which required formal qualifications and only 32 per cent had received training for the type of work they were doing. This suggests that programmes are more concerned with making the unemployed ‘work ready’, providing work socialisation and the reduction of expectations rather with providing work experience and qualifications which could promote their long-term employability. These issues are all the more relevant as the rationale for placing them in these jobs is often through ‘training’ measures.

Gallie argues that the quality of the jobs the unemployed enter both affects their continuing employment and employability. He argues ‘whereas there has been a marked process of upskilling across a wide spectrum of the workforce, the unemployed tend to be drawn from, and recycled into, jobs which offer very poor opportunities for skill development’ (2000 :13). He argues that job quality and the formal and informal opportunities that workers have for learning at work, merits serious consideration.

This suggests that policies aimed at combating exclusion need to address not only the quality of the training provided in programmes for the unemployed, but also needs to address the quality of work placements and access to formal and informal learning opportunities. However, this is an issue not just for those on programmes for the unemployed but for all workers in the lowest segments of the labour market.

POLITICAL CONSISTENCY

'Poverty in work' is a new challenge for the public policy. Paugam maintains that the effect of *social disqualification* experienced by the workers with no job security 'is to some extent included in the package' of government policies against unemployment (2000). In this connection, it is incorporated into the construction of the employment measures. To reduce the overall volume of the unemployment, states pursue the objective of job creation, even if this is at the expense of conditions of employment. States accept the idea that to maintain the general balance of the social system, certain targeted social groups will experience a greater measure of insecurity. Nevertheless, this takes place within certain limits, and is not universal. They are not prepared to overturn the entire social system, or to abolish social welfare and labour law.

Governments recognise that some economic sectors should have access to occasional, low-qualified interchangeable labour force, but maintain that this type of employment is a springboard towards stable employment. Paugam writes of the 'implicit consensus' between the state, the operation of the market and competition to expose sections of the labour force to insecurity, which allows others to continue to benefit from the protection of the law and justifies the maintenance of a standard (2000).

This aspect does not form part of the work of our network, but the social effects of precariousness appear in the same terms in all the countries. This justifies the comparison process and makes it possible to produce hypotheses concerning how the policy decisions made by governments should be interpreted.

PUBLIC POLICY : SOME ORIENTATIONS

1) DECENTRALISATION AND INDIVIDUALISATION OF COLLECTIVE BARGAINING

A number of developments in systems of industrial relations can contribute to the development of non-standard forms of contract. The decentralisation and individualisation of collective bargaining are examples of this. These developments may be the result of direct intervention by governments or as a consequence of decisions taken by business interest organisations. The growth in employment in small and medium enterprises may also contribute to this process insofar as trade unions may be less able to secure the implementation of collective agreements in these organisations or may not be recognised by the employer.

2) THE EXTENSION AND NORMALISATION OF NON-STANDARD FORMS OF EMPLOYMENT

Agency work, zero-hour contracts, very short part-time hours and forms of home working have often been practised even though they have not been formally permitted. A process of normalisation of 'atypical work' has occurred, either through

the legalisation of practices which were formally illegal, or through their acceptances through custom and practice.

3) PUBLIC EMPLOYMENT POLICY

Measures introduced to create employment and reduce unemployment may have the unintended effects which contribute, overall, to a deterioration in working conditions. The creation of new areas of work and work placement measures may have different consequences according to the context in which they are introduced. Some strengthen the process of deregulation of stable employment and the creation of forms of insecure jobs, but others may contribute to strengthening of labour market regulation and introduce minimum standards of protection against instability.

4) WORKFARE: WELFARE RECIPIENTS MUST WORK TO RECEIVE BENEFITS

In contrast to the employment measures referred to in section 3, here work becomes the requirement for receiving benefit. Here, those on employment programmes are required to work to receive benefit, rather than receiving a wage (or a proportion of the wage) which reflects salary structures in the sector. The influence of national social history is significant here. For example, in Belgium, there have been experiments to develop a community service sector by encouraging the creation of new low-cost jobs for employers or the public services in order to respond to collective needs (for example, in personal care and environmental improvement). This employment model is acceptable in a country with strong trade-union tradition only within the framework of the integration of the unemployed into the labour market in the fight against unemployment or in response to collective needs.

5) THE DYNAMICS OF POLICIES AIMED AT TARGET GROUPS

In each country at different times, policies draw on a range of different mechanisms (social policy, taxation, labour market programmes, the combination work and welfare benefits, education and training) which are aimed at different target groups (les groupes cibles). The accent will vary according to circumstances, so that each country will have its own discourse of groups which are potentially 'at risk' and in need of specific interventions. These policies may have the effect of improving the situation of these groups or may stigmatise them, thus resulting in a further degradation of their labour market situation. For employers the implications might be a reduction contributions, the authorisation of exemptions (for the long-term unemployed, young people, woman returners, older people). For workers, these may involve incentives to take up 'atypical' employment, compensatory benefits, a combination of jobs/benefits or tax advantages.

QUESTIONS TO BE ASKED

This section raised a series of questions :

1 The debate about work incentives for the unemployed. Gallie's work (2000) suggests they are motivated to work, not just for financial reasons but for a whole range of social and psychological reasons tied up with their identity, status and sense of usefulness to society. If they are motivated to work, this raises questions about (1) the quality of jobs which are available (2) the degree to which they are coerced into taking work and (3) the rationale for governments to use a combination of downward pressure on benefits and support for benefits in work as a mechanism for getting the unemployed back to work.

2. These issues seem to be closely linked to our observations about the increasing conditionality of rights to social security and unemployment benefit. The reform of the interface of work and welfare systems is a persistent feature of the policy environment in European societies (Roche, 2000:27). In Britain a number of writers have identified the period of Conservative government (1979-1997) as marking a watershed in labour market policy. They argue that in the 1980s Keynesian demand management was abandoned in favour of the free operation of markets Nolan and Walsh, 1995 ; Graham, 1997; Peck, 1996). Peck, in particular, argues that this represented a shift to 'workfarism', introducing new forms of regulation of the labour market and welfare reform amounting to 'a productivist reordering of social policy' (1996:187). These shifts included: increasing selectivity in access to welfare and labour market programmes; reductions in levels of welfare support and the scope of eligibility criteria; the introduction of forms of compulsion (or 'incentives') to participate in education and training and low wage employment; the surveillance of welfare recipients; and the privatisation and deregulation of job training (1996:187-188).

3. To what extent are we seeing the development of 'Third Way' approach to labour market policy ? Wood (1999) argues that under the Labour government in the UK education and training policy is central to the concept of the 'Third Way'. Firstly, state intervention is seen not in terms of assuring income levels, but in 'empowering' individuals with a range of assets including education and skills, which allow them to obtain income in the future. Secondly, employment is seen as central to the welfare of citizens and to their welfare and self-sufficiency (1999 :3). This is set against background assumptions of the inevitability of globalisation; where individuals have both rights and responsibilities; and in which the interests of business and improving competitiveness keep state intervention to a minimum (1999 :4-5)

4. The emphasis on individual responsibility and dissociation of the state from the discourse on employability and lifelong learning. (This is not without its

contradictions. In the UK, lifelong learning has been interpreted as an agenda for organisational renewal by some trade unionists).

5. We have not researched the capacity of the European Union to influence the employment policies of member states. What is the capacity of the Employment Action Plans to act as a mechanism for European employment policy? Can we make recommendations – for example – on entitlements to paid educational leave and lifelong learning, on the quality of work, which might be useful at this level?

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4. CONCLUSIONS AND POLICY IMPLICATIONS

Exchanging research results in the framework of the thematic network has allowed us to delineate certain paths to improve our knowledge of social exclusion processes and to fight them. In this section, we only deal with the implications at the EU level.

POLICY CONCLUSIONS ON DATA

Currently, available data do not allow us to get a good picture of the transformations of the labour market related to exclusion in work; this makes the evaluation of the effects of employment policies often very difficult, if not impossible. In many cases, the only sources that can be used for comparative purpose are the Labour Force Survey and the ECHP. Unfortunately, data provided by these surveys appear fragile and scarce as far as the topics we are interested in are concerned, new forms of employment such as agency work or what we have called “hybrid” job positions, and sectoral differences. Moreover, as our tentative work about some economic sectors has revealed, the margins of error become so high at that level that they can render the use of data problematic. Finally, the data only permits very limited longitudinal analysis. As far as administrative or other survey data are concerned, our comparisons show that while required information exists in many countries, to make it comparable at the level of the sector or job characteristic will require a considerable amount of harmonisation. This should be carried out at a European level.

POLICY IMPLICATIONS RELATING TO THE “ QUALITY OF WORK ”

Research carried out by the European Foundation for the Improvement of Living and Working Conditions points to a deterioration in working conditions in terms of health, psychological and physical dangers and strain, irregular schedules, and an increase in violence at work. Physical and mental pressures at work are increasing; dismissals are often used as a threat. The development of forms of autonomy at work is taking place under strong time constraints. The Foundation studies also establish a link between the erosion of employment status and deterioration in working conditions. Drawing upon other sources, we have reached the same conclusions concerning this relationship. Our work has also permitted us to identify some of the processes underlying it.

The importance of unemployment on one hand and the transfer of jobs towards small and medium-sized companies (owing much to the development of subcontracting and

of "company networks") on the other, as well as illegal work and moonlighting, have contributed to a reduction in the bargaining power of unions. This evolution has had consequences on exclusion in work. It is generally where the bargaining power of unions is weak that the risk of exclusion in work is the highest. Beside this, the role of unions' and employers' associations has been central in the development of the social security systems (such as employment regulations and, further in the elaboration of forms of social consensus). Reducing exclusion in work thus implies a revitalisation of the mediating role of collective bargaining, at the national and national-sectoral, as well as at the European levels. Rebuilding collective bargaining processes and developing them at the European level are key aspects of social cohesion and solidarity. This rebuilding should include small and medium sized companies.

Our results have shown that it was no longer possible to see work and unemployment as if they were two separate spheres that could be analysed independently. The same goes for the differences between jobs that benefit from general contractual protection and those that carry only lesser forms of protection down to situations of "false self-employment". Employment puts the worker in a situation of financial solidarity with respect to the risks, and consequently questions of employment and social protection can be considered as two inseparable sides of professional status. The creation of "social drawing rights" could be one of the possible ways to secure employees' earnings and careers and give them control of their future life. Since their number and forms are increasing and they are particularly subject to exclusion in work, we consider it is urgent to provide a better status to the persons holding "jobs" created in the workfare programs or the "hybrid" job positions we have identified.

The question of the "quality of work" that has recently been put on the political agenda of the EU is of particular importance here. Further research is needed to assess the different dimensions of quality defined not only in terms of working conditions but also in terms of employment; it is therefore necessary to deepen our knowledge of exclusion in work, especially since we have already shown that low unemployment rates may be associated to high exclusion in work. A composite index of exclusion in work could be built. And such an index should be taken into consideration in national action plans for employment and for social inclusion.

From the policy point of view, there are also some measures that could easily be implemented, and contribute to prevent exclusion in work.

- There is some evidence showing that some workers do not receive the minimum wage they are entitled to. Hourly legal rights or collective bargaining entitlements should appear on the pay slip.
- Social audits in firms should be generalised, and contracts should include details concerning penalties for the dismissal of people. The application of the rules concerning the use of non-standard forms of employment should also be guaranteed.

- Blurred rules and social rights endanger citizenship; the application of rules is, in particular when unemployment or workfare are concerned, unclear and often individually negotiated, leading to uncertainty and inequality.

Despite the economic crisis, women's participation in the labour market has risen. With the same features in many countries: jobs with lower status and particularly high unemployment. It remains true that women's employment is still less recognised than men's and that women's over-unemployment and under-employment make equal opportunity at work a distant prospect. In this perspective exclusion in work has an important gender dimension; lone mothers' situation is a particular matter of preoccupation in the UK and France.

The comparative analysis of exclusion in work has also led us to stress the way it points to social protection, social cohesion, and citizenship.

The post-war model of social protection rests upon employment. It is administrated either by the State, or jointly by employers and trade unions. Recent proposals to "modernise" social security systems recommend the introduction, alongside funding through contributions, of a State tax system and pre-funded professional schemes. The risk of this trend is to lead to a situation in which one would find, beside a very basic general scheme, State support for the poor on one hand, and a private insurance system based on financial accumulation for those who can afford it, on the other. The resulting polarisation of society would jeopardise the forms of solidarity based on employment, the foundation of current forms of social cohesion in our societies.

Our results also point to important problems for the future of social cohesion in Europe. The viewpoint we have taken throws light onto many changes in employment policies and in labour markets. Even when policies are designed to fight or prevent present poverty, they sometimes create conditions that generate new forms of poverty which, if they are not prevented, may put many (future) retired people in very difficult situations.

Cutting public spending on education, health and care for the elderly and transferring it to individual contributory choices and abilities will lead to widening social inequalities. In that event, social protection only helps to patch up the supposedly inevitable damage caused by economic mechanisms. The present downward trend in social security contributions is part of that trend. Although such decreases allow labour costs to be restrained, the reduction in social security charges will contribute to the weakening of the financing of social protection at the very moment when demographic trends tell us they should be raised.

From the mid-1970s on, hiring subsidies (mainly aimed at young people) have been introduced, and with them reductions in labour costs. At the same time, at the other end of the working life cycle, early-retirement schemes have been set up. Greater "strictness" is applied to the award of unemployment benefits. These measures gained

in importance in the eighties. Social minima and subsidised employment are interconnected to large extent. The desire to adapt social protection systems to the new forms of employment has led to the development of social minima and their purpose as safety nets. In many countries there is a trend in government social policy from policy aimed at reducing inequalities changes to one of the social management of poverty.

Moreover, since the end of the 1970s there has been an intertwining of assistance mechanisms with those labelled as social assistance or aid. The various benefits that appeared in this framework were brought together in some countries under the general term of social aid. The conditions, entitlement criteria and amounts often take as reference (where possible) the minimum wage or unemployment benefit. Because the granting of benefits is subject either to conditions of limited resources or to ideological considerations it is increasingly accompanied by rigorous social control of the beneficiaries. The closer relationship of benefit systems to social subsidies, may be interpreted either as illustrating an integration strategy (from social aid to benefits and/or subsidised employment) or as poverty management (from benefits to social aid).

We have also shown how, in many countries, young people frequently experienced the “dangerous zones” of the labour market, i.e. those areas that are associated with a high risk of social exclusion. Even if the current lack of data makes the confirmation of this hypothesis difficult, the information we have gathered leads us to think that these situations could not be only be interpreted as transitional positions associated to “youth” but could be the kind of positions many young people will continue to experience as they become adults. In this way, their ‘temporary’ precariousness could become more general. This has also consequences on social cohesion and solidarity.

POLICY IMPLICATIONS FOR EDUCATION

The place occupied by young people in exclusion in work has to be related to the new strains put on the educational system. In all the countries under review, the last decades have witnessed a major prolongation of schooling. More young people go to school and stay there longer. The employment crisis that started in the mid-1970s is certainly partly responsible for this trend. While a young person could previously choose between staying on at school and entering a career on the labour market, with the economic slow-down of the 1980s and 1990s the choice has narrowed down for many to school or unemployment.

In these circumstances the educational system finds itself pushed both towards adapting people to the selective system which rules the labour market and towards fighting social exclusion. While many young people are increasingly defined by their deficiencies (qualifications, behaviour, etc.), education is being brought into the

process of justifying social inequalities. At the same time, benchmarks are getting blurred. Is school to be defined only as a component of the capitalist system, as essentially aiming at training "human resources" and therefore largely defined by employer's demand, or does it remain an institution contributing to social cohesion? Our results concerning the role of education in exclusion in work lead us to conclude that more than ever, the central question is matter not only of equal opportunities but also of equal conditions.

An increase in the number of graduates is the consequence of the prolongation of schooling. If nobody is completely safe from unemployment and if the efficiency of many degrees in terms of granting an access to employment has fallen, education remains a safeguard against unemployment and social exclusion. At the same time, this has major consequences on the situation of less educated people: it increases their risk of exclusion in work and of unemployment.

In 1995, the European Commission published the White paper entitled *Towards a cognitive society*. Its authors considered the idea of a full-time job for an unlimited period as outdated. Consequently, individuals had to build up their own skills and co-fund their continuing training by resorting to the opportunities offered by the education market. This would have enabled them to hold successive jobs throughout their professional careers. This concept of lifelong learning could have negative effect on social exclusion. On one side, the diminishing importance given to basic education could cause a breakdown in the democratisation of access to studies. And on the other side, education and training throughout life could become a succession of obstacles, constantly renewed, that would have to be overcome to avoid the process of professional and social exclusion. To avoid such an evolution, our network considers it would be necessary to develop a framework that could foster positive flexibility and make possible mobility as a choice for individuals. Social scientists have already made proposals on this topic, which should be taken as a point of departure. Lifelong learning should be institutionally designed in order to increase the possibilities of choice for the individuals, especially the less skilled. Rights to paid educational leave should be generalised, as well as norms regarding the amounts to be spent on training. Continuing vocational training should not benefit only the more educated, as it is currently the case.

Recognising that work has been made more flexible and that professional mobility has increased, the Supiot report recommends that the concept of security should be reconfigured on three levels: first, professional status should be redefined in order to guarantee the continuity of a career made of periods of training and employment rather than the stability of jobs. Arrangements should be found to make possible the combination of training, employment, voluntary work and inactivity periods. Second, professional status should no longer be defined according to the restrictive notion of employment, but related to the wider notion of activity. Finally, peoples' professional

status should be linked to corresponding social drawing rights (paid hours for union activity, training credits, parental leave, etc).

The common experience of certain European countries has shown it is possible to set up a social protection system around employment and professional status to provide a level of security that enables individuals and groups to both enjoy adequate living standards and to make plans for their futures. The analysis of exclusion in work and of its links with the evolution of social protection systems shows that the proportion of the population that has access to these advantages is falling. If it is agreed that this means more people are being excluded from Marshall's concept of citizenship, then it is clear that the importance of exclusion in work and the decline in what the ILO calls 'decent work' becomes obvious.

5. DISSEMINATION

During the period of the network, all partners have been involved in disseminating the results.

Two papers have been presented at international conferences:

“ Temps de travail et formes d'emploi. une comparaison européenne ”,
communication aux VIIes journées de sociologie du travail, Bologne, 17-19 juin 1999.

“ Politiques publiques et emplois “à risque”: une comparaison internationale ”,
communication aux VIIIes journées de sociologie du travail, Aix-en-Provence, 21-23 juin 2001.

One article has been published:

"Rapports entre formes d'emploi et temps de travail. Une comparaison européenne",
Sociologia del lavoro, n° 74-75, 1999, pp. 124-132.

The publication of a book is in preparation. Contacts have already been established with Edward Elgar publisher.

TABLE

1. EXECUTIVE SUMMARY	2
short presentation of the approaches to the concept of exclusion in work.....	2
exclusion in work and social protection	4
the discourse on exclusion.....	5
exclusion in work in its context	6
the economic structures.....	6
social aspects: social protection	8
political aspects:.....	9
political aspects.....	10
2. BACKGROUND AND OBJECTIVES OF THE PROJECT	13
initial objectives.....	13
organisation of work	16
3. SCIENTIFIC DESCRIPTION OF THE PROJECT RESULTS AND METHODOLOGY.....	18
PART ONE.....	18
WHAT IS EXCLUSION IN WORK?.....	18
a comparative approach.....	21
the mechanisms of EIW.	22
conclusion.....	23
References	24
PART TWO	26
HOW HAS THE LANGUAGE OF EXCLUSION IN WORK CHANGED? THE DISCOURSE OF EXCLUSION	26
the three moments of the discourses on exclusion	28
universalization of the concept	30
citizen model and recasting of the representation of the society	32
PART THREE	36

DOES EXCLUSION IN WORK RESULT FROM DIFFERENCES IN ECONOMIC STRUCTURE?	36
introduction	36
structural outcomes of globalisation.....	36
indexing the risk of exclusion at work	39
exclusion in work in services and industrial jobs.....	44
conclusion.....	49
BIBLIOGRAPHY	49
PART FOUR	51
DO SOCIAL PROTECTION ARRANGEMENTS MAKE EIW MORE OR LESS LIKELY?.....	51
PART FIVE	53
PUBLIC POLICIES AND SOCIAL EXCLUSION	53
introduction	53
globalism and Globality	55
government policies in the six countries	57
taxation, pay and benefits	62
conclusion.....	64
references	64
PART SIX.....	66
TO WHAT EXTENT DO LABOUR MARKET POLICIES MAKE EXCLUSION IN WORK MORE OR LESS LIKELY?	66
introduction	66
national Characteristics of the employment policies and common developments	67
common experiences and specific processes of implementation	69
the persistence of poverty and government policies.....	71
poverty in work and forms of employment.....	71
political consistency.....	74
public policy : some orientations	74
questions to be asked.....	76
BIBLIOGRAPHY	77
4. CONCLUSIONS AND POLICY IMPLICATIONS.....	79

policy conclusions on data.....	79
policy implications relating to the “ quality of work ”	79
policy implications for education.....	82
5. DISSEMINATION.....	84